

Written Exam for the B.Sc. or M.Sc. in Economics winter 2011-2012

Economics of the EU

Elective Course

27 February 2012

(3-hour /closed book exam)

Please note that the language used in your exam paper must correspond to the language of the title for which you registered during exam registration. I.e. if you registered for the English title of the course, you must write your exam paper in English. Likewise, if you registered for the Danish title of the course or if you registered for the English title which was followed by “eksamen på dansk” in brackets, you must write your exam paper in Danish.

If you are in doubt about which title you registered for, please see the print of your exam registration from the students’ self-service system.

Question 1

Overall theme: EU’s role in Europe

- What are the main aims of EU’s regional policies.
- Describe the main theoretical approaches to EU’s regional policies.
- Analyse the casual mechanisms or chains of EU’ structural funds using respectively a macro and a micro approach.
- Analyse whether, and in which way, EU’s regional policies support or restrict the aims of the EMU, and in particular, the fulfilment of the Stability and Growth Pact.

Question 2

Overall theme: The Future of EU’s Common Agricultural Policies (CAP).

- Describe the single farm payment and the rationale behind it.
- Analyse the development of the various restrictions and imperfections in EU’s CAP since the creation of the EU until the Single Farm Payment.
- Analyse the role of the CAP in EU’s budget and the financial perspectives.
- Analyse the compatibility between EU’s CAP and the rules of WTO, including the main positions of the EU on agricultural issues in the Doha Round.

Question 3

Overall theme: Debt problems in the EU and in the EMU.

- Describe the role of debt respectively in the preparations (access criteria) for the EMU, in the Stability and Growth Pact before the reform in 2005 and after the reform of the Stability and Growth Pact in 2005.
- The European Commission has recently suggested to issue so-called Euro Bonds in order to combat the debt crisis of the EMU. Analyse the costs and benefits (disadvantages and advantages) of such an approach to solve Europe's debt problems.
- Explain the relation between (steady state level of) debt, government deficit and growth.