**TISHK INTERNATIONAL UNIVERSITY**

Faculty of Administrative Sciences and Economics

**International Relations and Diplomacy Department**

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**Course: International Political Economy Code: IRD 306 Semester: Spring**

**Final Exam Question Bank**

1. **Fill in the Blanks: Chose the right option and rewrite the complete sentence.**

**I. Unit V: State, Firms and Diplomacy**

**1**. The driving forces of structural change behind the liberation of Central Europe is the disintegration of the former Soviet Union.

**2.** The importance of firms as major actors in the world system – will be obvious enough to leaders of finance and industry.

1. No bargain is forever, and this is generally well understood by anyone with hands-on experience of negotiation.
2. The political art for government diplomats, is to devise bargains that will hold as long as possible, that will not easily be upset by changes in other bargaining relationships.

**II. Unit VI: International Monetary System**

1. In a floating exchange-rate system, there are no limits on how much a currency can move in the foreign exchange market.
2. The balance of payments is accounting device that records all international transactions between a particular country and the rest of the world for a given period.
3. American and British policymakers called for multilateral conference attended by 44 countries in Bretton Woods, New Hampshire, USA in 1944.
4. In creating the Bretton Woods system, governments sought a system that would provide stable exchange rates and simultaneously afford domestic economic autonomy.

**III. Unit VII: Multinational Corporations**

1. For many people, a multinational corporation and a firm that engages heavily in international activities are one and the same thing.
2. The economic impact of multinational corporations is often accompanied by social impacts which can be negative.
3. Singer Sewing Machines became the first American firm to create permanent manufacturing facility abroad when it built a plant in Glasgow, Scotland in 1867.
4. Most of the parent firms of the largest Multinational Corporations are based in the developed economies of the United States, Europe and Japan.
5. **True or False: Indicate whether each of the following statements is correct or incorrect and rewrite the complete statement.**
6. **Unit V: State, Firms and Diplomacy**
7. Technological developments, and growing mobility of capital have led increasing number of firms to plan their activities on a global basis \_\_\_\_\_\_\_\_\_
8. The fundamentally transformed international economic environment has forced governments to adapt to this new reality \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
9. The contributing factor to internationalization of trade has been the lowering of real costs of trans-border transport and communication\_\_\_\_\_\_\_\_\_\_\_\_\_\_
10. In the world market, competition among producers has lowered costs to consumers and widened their choice of goods while raising their real incomes\_\_\_\_\_\_\_\_\_\_
11. **Unit VI: International Monetary System**
12. An exchange-rate system is a set of rules governing how much national currencies can appreciate and depreciate in the foreign exchange market \_\_\_\_\_\_\_
13. In a fixed-but-adjustable exchange-rate system, governments do not commit themselves to maintaining a specific fixed price against other currencies or an external standard \_\_\_\_\_\_\_\_\_
14. The current account records all current nonfinancial transactions between that particular country’s residents and the rest of the world \_\_\_\_\_\_\_\_\_\_\_\_
15. China’s emergence as a creditor country has placed an emerging market economy in the center of the international monetary system for the first time in history\_\_\_\_\_\_\_\_\_\_\_
16. **Unit VII: MNC**
17. Historically, developing countries have hosted MNC investments, but the amount of FDI they have attracted has been relatively small\_\_\_\_\_\_\_\_\_\_\_\_\_
18. MNCs have been criticized as for repatriating profits back to home countries, so that local residents get limited benefits from the MNCs presence \_\_\_\_\_\_\_\_\_\_
19. MNCs seek and get special tax and tariff treatment, sometimes simply by persuading governments not to enforce existing regulations \_\_\_\_\_\_\_\_\_\_\_\_\_
20. MNCs are profit-making enterprises and their activities are oriented toward that end and not toward raising the welfare of their host countries\_\_\_\_\_\_\_\_\_\_\_\_\_\_
21. **Match the Following: Match I with List II and rewrite on your answer paper.**
22. **Unit V: State, Firms and Diplomacy**

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| **List I** | **List II** |
| **I. New forms of Diplomacy**  | **a.** Alteredrelationshipbetweenstates and MNCs. |
| **II. International Competition among States**  | **b.** Described non-decision making as the second face of power. |
| **III. U-turn of Developing Countries** | **c.** Toward open borders and export promotion. |
| **IV. Global Economy**  | **d.** Widening gap between living standards in the affluent West and other countries. |

1. **Unit VI: International Monetary System**

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| **List I** | **List II** |
| **I. Balance of Payments**  | **a.** Provides an aggregate picture of the international transactions the particular State conducts in a given year. |
| **II. Bretton Woods System**  | **b.** Provides an explicit code of conduct for international monetary relations. |
| **III. International Monetary System** | **c.** Provides facilitation for inexpensive means of exchanging one national currency for another. |
| **IV. Global Governance Structures** | **d.** Provides a broadening of the policy coordination process from the Group of 7 to the Group of 20. |

1. **Unit VII: MNC**

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| **List I** | **List II** |
| **I. British East India Trading Company**  | **a.** Founded in 1600 is often considered as the first MNC. |
| **II. Foreign Direct Investment (FDI)**  | **b.** Funds invested by an MNC in another nation. |
| **III. MNCs in Developing Countries** | **c.** Create demand for related and supported industries. |
| **IV. MNCs in the Global Economy**  | **d.** Described power as the ability to manipulate human behavior by the creation of needs. |

1. **Short Questions: Select the correct answer rewrite on your Answer sheet.**
2. **V: State, Firms and Diplomacy**
3. What can Firms do under the pressure of structural change?
4. What interest is gaining ground in the study of international relations?
5. **VI: International Monetary System**
6. Give the correct sequence of the sub-categories of current account transactions?
7. Which four innovations were introduced by Bretton Woods System?
8. **VII: MNC**
9. List in their correct sequence the progressive stages of MNCs?
10. How many principles that the UN Global Compact propose for MNCs doing business globally?
11. **Essay Question: Arrange the statements in the correct sequence (chronological order) and rewrite on your Answer sheet.**
12. **V: State, Firms and Diplomacy**
13. Describe the Two Sides of Diplomacy: State-Firm Diplomacy according to Susan Strong? **(Slide 8)**
14. **VI: International Monetary System**
15. Explain Exchange-Rate Systems? **(Slide 4)**
16. **VII: MNC**
17. How does the politics of MNCs affect International Political Economy? **(Slide 23)**