YLIOPISTOTENTTI - UNIVERSITY EXAM

Opiskelijan nimi / Student name:	Opiskelijanumero / Student number:

Opettaja täyttää / Lecturer fills in:

Opintojakson koodi and nimi / The code and the name of the course:

Koodi / Code 721317S

Tentin nimi / Exam name International Macroeconomics

Tiedekunta / Faculty:	OBS	
Tentin pvm / Date of exam: 27.3.2019		Tentin kesto tunteina / Exam in hours: 3 h
Tentaattori(t) / Examiner(s):		Opintopistemäärä / Credit units: 6
Marko Korhonen		Sisäinen postios. / Internal address: **6 OyKKK**

Sallitut apuvälineet / The devices allowed in the exam:

☐ Funktiolaskin /
Scientific calculator

☐ Ohjelmoitava laskin /
Programmable calculator

☐ Muu materiaali, tarkennettu alla / Other material, specified below:

Tenttiin vastaaminen / Please answer the questions:
☒ Suomeksi / in Finnish   ☒ Englanniksi / in English

Suomenkielisessä tutkinto-ohjelmassa olevalla opiskelijalla on oikeus käyttää arvioitavassa opintosuorituksessa suomen kieltä, vaikka opintojakson opetuskieli olisi englanti. Tämä ei koske vieraan kielen opintoja. (Kts. Koulutuksen johtosääntö 18 §)

In a Finnish degree programme a student has a right to use Finnish language for their study attainment, even though the language of instruction is English, (excluding language studies) even when the language of instruction is other than Finnish. (See the Education Regulations 18 §)

Kysymyspaperi on palautettava / Paper with exam questions must be returned:
☒ Kyllä / Yes   ☐ Ei / No

If you have given the student presentation and would like to have the presentation points then answer only questions 1 and 2.

Otherwise, answer all four questions.

1. Answer

    a. Explain briefly the uncovered interest rate parity. (5p)

    b. Present and explain the Balassa Samuelson model (20p)

2. Answer

    a. Sovereign debt crisis in several European countries. (15p)

    b. Name four macroeconomic fundamentals. Based on the empirical evidence provided in the lecture, do you think that the fundamentals can be used to predict exchange rates? (10p)

Questions 3 and 4 are related to Paul De Grauwe book "Economics of Monetary Union".

3. What are benefits of a common currency related to welfare gains from less uncertainty? (25p)

4. Sustainability of government budget deficits. (25p)