

YLIOPISTOTENTTI - UNIVERSITY EXAM

Opiskelijan nimi / Student name:	Opiskelijanumero / Student number:
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Opettaja täyttää / Lecturer fills in:

Opintojakson koodi and nimi / The code and the name of the course: Koodi / Code 72410A Tentin nimi / Exam name Global economics	
Tiedekunta / Faculty: Oulun yliopiston kauppakorkeakoulu	
Tentin pvm / Date of exam: 14.8.2017	Tentin kesto tunteina / Exam in hours: 3
Tentin nro / No. of the exam: 1. retake	Opintopistemäärä / Credit units: 5
Tentaattori(t) / Examiner(s): Marko Korhonen	Sisäinen postios. / Internal address: 6 OyKKK
Sallitut apuvälineet / The devices allowed in the exam: <input checked="" type="checkbox"/> Nelilaskin / Standard calculator <input checked="" type="checkbox"/> Funktiolaskin / Scientific calculator <input type="checkbox"/> Ohjelmoitava laskin / Programmable calculator <input type="checkbox"/> Muu materiaali, tarkennettu alla / Other material, specified below:	
Tenttiin vastaaminen / Please answer the questions: <input checked="" type="checkbox"/> Suomeksi / in Finnish <input checked="" type="checkbox"/> 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. <u>Koulutuksen johtosääntö 18 §</u>) 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 <u>the Education Regulations 18 §</u>)	
Kysymyspaperi on palautettava / Paper with exam questions must be returned: <input checked="" type="checkbox"/> Kyllä / Yes <input type="checkbox"/> Ei / No	

THIS EXAM CONTAINS 6 QUESTIONS! PLEASE, ANSWER ALL OF THEM!!

1. Some countries have low ratios of international trade (exports + imports) to GDP (such as the United States), while, in other countries, the ratio of international trade to GDP exceeds one. How is it possible for trade to exceed the value of GDP?
2. Consider the following table.

	Country A	Country B
Hours per bushel of wheat	5	8
Hours per yard of cloth	5	5

- A) Which country has an absolute advantage in wheat production?
 - B) Which country has an absolute advantage in cloth production?
 - C) Which country has a comparative advantage in wheat production?
 - D) Which country has a comparative advantage in cloth production?
 - E) In what range must the international price of wheat fall?
 - F) Which country is likely to gain more from trade if the international price of wheat is $7/5$ bushel per yard of cloth?
3. How does the specific factors model differ from the Heckscher-Ohlin (HO) model?
 4. Explain
 - a) How increasing returns to scale in production can be basis for trade?
 - b) Why is trade within a country greater than between countries?
 5. What are five main factors that influence migration decisions of potential migrants from developing countries? Discuss each of them shortly.
 6. The future of China's economic growth.