

Mini-Quiz

Module 1: The Birth of the Global Economy

A Short History of Modern Economic Thought

NAME: _____

It is time to review and synthesise knowledge from the first module. Try to answer all the questions as clearly and concisely as possible – please write legibly. For the multiple-choice questions, circle one correct answer. This should take approx. 60min.

1. What is the “Anthropocene” and what is it predominantly characterized by?

2. Which historic (r)evolution kick-started modern globalization? List four global socio-economic trends that have evolved since.

3. Which continuously existing international organisations were created in the context of Bretton-Woods? What goals did these institutions have? In addition, name at least two defining characteristics of the Bretton-Woods monetary system.

4. Adam Smith famously introduced the concept of the 'division of labour'. Give a definition of the division of labour.

5. List the three main functions of money.

1)

2)

3)

6. What is an "externality"? Give an example of both a positive and negative externality that relate to the environment.

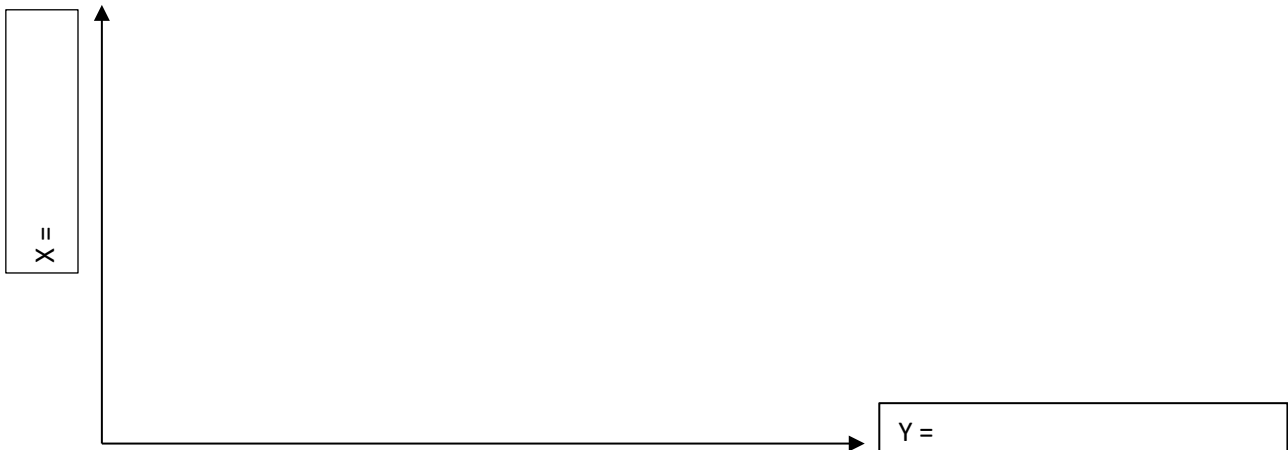
Positive:

Negative:

7. Which of the following statements is in line with the model of "comparative advantage"?

- a. Two countries can benefit from trade, even if one of them is less efficient than the other in everything it produces.
- b. Country A benefits from trading with country B only if country B is more productive.
- c. Specialized production is only beneficial if a country's production is more efficient in absolute terms.

8. Draw and label the supply and demand curve. Add labels for the x and y axes and indicate where the market clearing point is.



9. Connect the right theory with the correct economist by drawing a line.

Adam Smith	theory of competitive advantage
David Ricardo	the population principle
John Maynard Keynes	defender of classic liberalism
Friedrich von Hayek	commonly seen as founder of the political economy
Thomas Robert Malthus	fundamental uncertainty

10. Based on the development readings, what can be seen as problematic about the North-South perspective in development discourse?

11. How is GDP used as a metric to measure the progress of an economy? Name one alternative to GDP as an economic metric.

12. What is the Jevon's paradox (rebound effect)?

13. Which one of the following is not a view of globality?

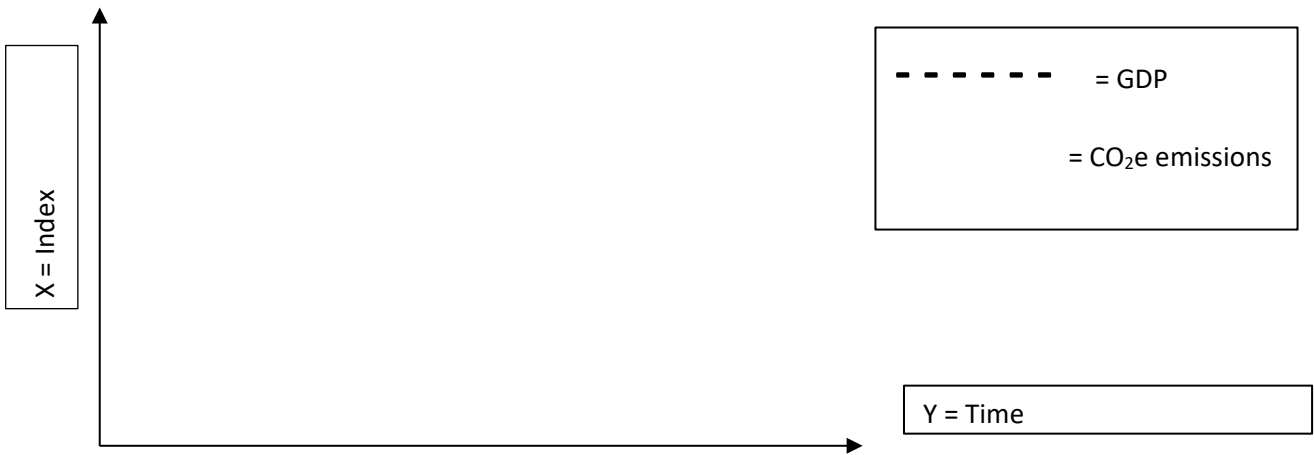
- a) Hyperglobalist
- b) Reformist
- c) Sceptic
- d) Transformationalist

14. Based on the lecture on Systems Thinking, give an example of a reinforcing feedback loop and a balancing feedback loop in the context of climate change.

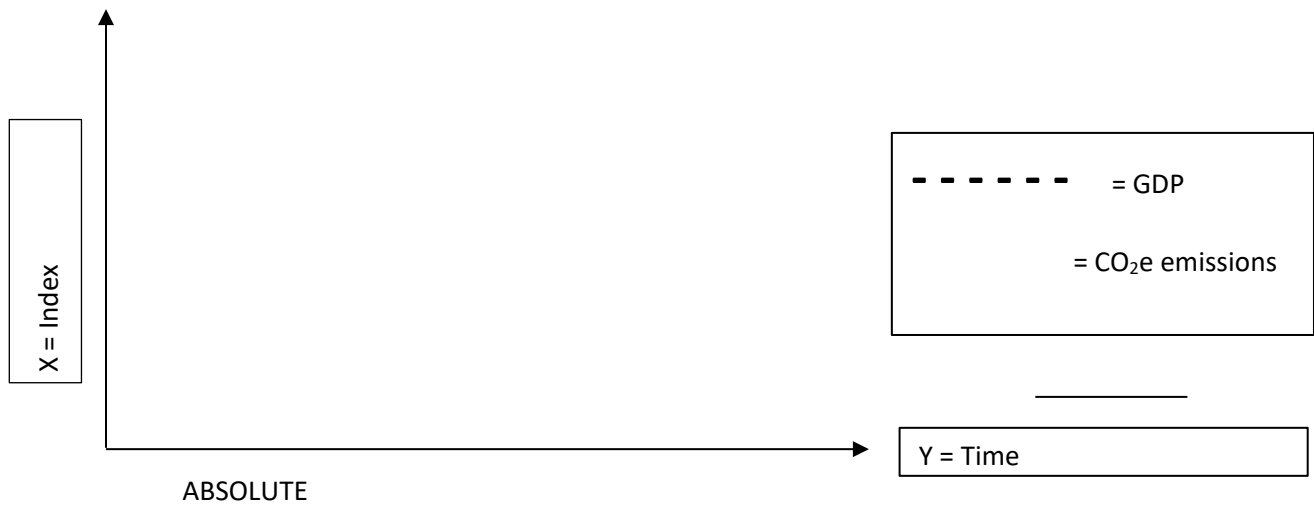
15. Define Hyperinflation and give one historical example.

16. What is a Pigovian tax? Please provide one example of how a Pigovian tax can work.

17. Draw two diagrams that represent relative decoupling and absolute decoupling of GDP and CO₂e emissions.



RELATIVE



18. What is diminishing utility?

19. Name five of the nine planetary boundaries. Why are these important?

20. What is stagflation and why can it be considered problematic?

Argumentative Question (give your opinion): Which, if any, kinds of industries/sectors of the economy should be monopolised? Why?

Bonus Question: Draw Adam Smith's Invisible Hand.

CONGRATULATIONS, you have completed the in-class quiz!