**General:**

* **Please type translation into template provided, and not in this document.**
* **The first word of an answer option is only capitalized if the answer is a complete sentence (as applicable to German capitalization rules, of course). Periods are only used at the end of complete sentences or if the answer is completing the question (e.g., question 3/2)**
* **Please follow the style here for sentence completion questions (e.g., question 3/2)**

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| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 1/1 | 1 | Which one of the following is a central element of a market economy? | supply and demand determining prices | the means of production being state-owned | resource allocations being decided by central planners | the government setting prices |
| 1/2 | 2 | Which one of the following is not an element of totalitarianism? | people having the authority to choose their governing legislators | the use of terror tactics | state-controlled mass media | regulation of public and private behavior |
| 1/3 | 2 | Which one of the following is not a legal system? | practical law | civil law | common law  | customary law |
| 1/4 | 2 | Which one of the following is not considered a political risk? | exchange rate volatility | government intervention in international trade | instability caused by violence | corruption |
| 1/5 | 3 | Which one of the following is not a component of Industry 4.0? | the transition of manual manufacturing processes to mechanized manufacturing processes | the Internet of Things | artificial intelligence | cloud computing |
| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 2/1 | 1 | Which of the following is an enabler of globalization? | the lowering of inter-country trade barriers | sustainability | climate change | inflation |
| 2/2 | 1 | Which one of the following is not a dimension of globalization? | social globalization | economic globalization | political globalization | cultural globalization |
| 2/3 | 2 | Which one of the following statements is correct? | Increased power of multinationals has led to a loss of national sovereignty. | Globalization has, in general, made developing countries poorer. | Globalization has cost many people in developing countries their jobs. | Large companies have concentrated their manufacturing base domestically due to globalization. |
| 2/4 | 3 | What does Porter’s diamond framework try to explain? | how nations can obtain a national competitive advantage | why nations trade with each other | the forces that shape the competitiveness of an industry | how technology affect trade currents |
| 2/5 | 3 | Which one of the following is an example of a comparative advantage? | a favorable climate | a unique brand | superior strategies | networks in the value chain |
| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 3/1 | 1 | Which one of the following trade theories postulates that imports should be minimized and exports maximized? | mercantilism | comparative advantage | new trade theory | absolute advantage |
| 3/2 | 1 | Technology gap theory states that… |  …innovative countries can obtain a temporary monopoly on an innovation. | …imitating countries will never export the imitation products. | …countries with superior technologies will enjoy sustained trade surpluses. | …innovating counties with technological advantages also have cost advantages. |
| 3/3 | 1 | In essence, new trade theory suggests that trade is based on… | …increasing returns to scale. | …factor endowments. | …cheap labor. | …differences in productivity. |
| 3/4 | 2 | What does the Economic Complexity Index (ECI) measure? | the productive capabilities of an economic system | the complexity of a nation’s financial system | the number of economically viable sectors in a nation | how national political systems affects a country’s GDP |
| 3/5 | 3 | Which one of the following is not an objective of protectionist measures? | increasing the quantity of low-cost imports | defending infant industries | fighting unfair competition and dumping | protecting domestic jobs |
| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 4/1 | 1 | Which of the following is not a function of financial markets? | They allocate resources in a society. | They provide access to capital for companies, individuals, and governments. | They provide ways to manage financial risks. | They are a mechanism for price determination. |
| 4/2 | 1 | If a private company wants to raise capital by going public, it will use the… | …equity capital markets. | …debt capital markets. | …commodity markets. | …derivatives markets. |
| 4/3 | 1 | Which one of the following is a function of a commercial bank? | lending money to firms | lending money to the central bank | regulating the money supply in a country | overseeing the national banking system |
| 4/4 | 2 | A floating exchange rate regime… | …offers flexibility in monetary and fiscal policies. | …eliminates exchange rate risk. | …increases certainty in the economy. | …eliminates foreign exchange speculation. |
| 4/5 | 3 | A foreign exchange call option is… | …the right to buy a foreign currency at a specified price until a specified expiration date. | …the right to sell a foreign currency at a specified price until a specified expiration date. | …an agreement whereby the price in the future of a currency pair is fixed today. | …an agreement whereby one party sells a currency today with the obligation to buy it back at a specified price in the future. |
| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 5/1 | 1 | Which one of the following statements is incorrect? | When the WTO agreement was signed, tariffs rose compared to when under the GATT. | A key principle under GATT is the most-favored nation principle. | In the WTO, enforcement is ensured by arbitration panels. | Under GATT and the WTO, trade barriers were eliminated gradually over different rounds of negotiation. |
| 5/2 | 1 | Which one of the following types of crises does not fall under the IMF’s crisis management responsibility? | a trade deficit crisis | a banking crisis | a currency crisis | a foreign debt crisis |
| 5/3 | 2 | Which one of the following statements characterizes a customs union? | Member states use a common tariff towards nonmembers. | Members have a common currency. | Free movement of goods, services, labor, and capital between members is guaranteed. | Common monetary policies exist between members. |
| 5/4 | 2 | What type of trade bloc is RCEP? | a free trade area | an economic union | a customs union | a common market |
| 5/5 | 2 | Which one of the following trade blocs is the largest in terms of member countries’ total GDP? | RCEP | USMCA | EU | MERCOSUR |
| **Unit/****Question Number** | **Section** | **Question** | **Correct answer** | **Incorrect answer** | **Incorrect answer** | **Incorrect answer** |
| 6/1 | 1 | Which of the following statements regarding the trade war between the United States and China is correct? | The United States first implemented tariffs; China then retaliated. | China first implemented tariffs; the United States then retaliated. | The United States implemented tariffs, and China did not retaliate. | China implemented tariffs, and the United States did not retaliate. |
| 6/2 | 1 | Which one of the following was not a main reason for the United States to implement trade barriers against China? | The quality of Chinese products was too low. | China was believed to have manipulated its currency. | China was considered guilty of dumping. | There were national security concerns. |
| 6/3 | 2 | Which one of the following countries is not considered an emerging market? | Italy | India | Indonesia | Turkey |
| 6/4 | 2 | Which one of the following is a characteristic of the Chinese economy? | large, state-owned enterprises | low GDP growth | a small middle class | low value of total exports (in GDP) |
| 6/5 | 3 | What of the following is one of the key criticisms of the United Nations’ Sustainable Development Goals? | There are too many goals, some of which compete with each other. | The goals are not relevant. | They do not include specific targets. | It is not possible to track progress towards the goals. |