Part one

True/False

1. International political economy is the study of the tension between the market, where individuals engage in self-interested activities, and the state, where those same individuals undertake collective action.
2. Liberalism is a theoretical and ideological perspective which defends a strong and pervasive role of the state in the economy – both in domestic and international trade, investment and finance.
3. Mercantilism is a mainstream perspective in International political economy and it advocates the idea of free market system.
4. Comparative advantage is the concept that if countries focused on what they do best and freely trade their goods with each other, all of them would benefit.
5. The World Trade Organization (WTO) is an international organization which sets the rules for global trade.
6. The World Bank whose activities are focused on the developing countries was created immediately after the Second World War in 1945.

Part two

Multiple choices

1. Which one of the following is not the core features of developmental state?

A. Strong interventionism
B. Existence of bureaucratic apparatus
C. Existence of active participation
D. Regime illegitimacy

2. Japan has used to promote its infant industries include the followings except

A. Taxation, financial, and other policies that encouraged extraordinarily high savings and investment rates.
B. Fiscal and other policies that kept consumer prices high, corporate earnings up, and discouraged consumption, especially of foreign goods.
C. Government restriction for basic industries, such as steel, and for generic technology, like materials research.
D. Competition (antitrust) and other policies favorable to the *keiretsu* and to interfirm cooperation.

3. Which one of the following is not the work of World Bank

A. It works for human development (education, health),
B. agriculture and rural development (irrigation, rural services),
C. environmental pollution
D. Infrastructure (roads, urban regeneration, and electricity) and governance (anti-corruption, development of legal institutions). It provides loans and grants to the member-countries

4. _____ is an international organization that oversees those financial institutions and regulations that act at the international level.

A. World trade organization
B. World Bang
C. International Monetary Policy
D. Amnesty international organization

5. The World Trade organization was set up in _____ as the successor to the General Agreement
on Trade and Tariffs (GATT) created after the Second World War.

A. 1995
B. 1885
C. 1775
D. 1665