

OLLSCOIL NA hÉIREANN, GAILLIMH  
NATIONAL UNIVERSITY OF IRELAND, GALWAY

SUMMER EXAMINATIONS 2000

**International Monetary Economics (EC368)**

3rd Year Arts & 3rd Year B.Comm.

Professor F. Stephen  
Professor M.P. Cuddy  
Dr. Joan O'Connell

**Time Allowed : TWO hours**

**Answer THREE questions**

1. Comment briefly on any *three* of the following :
  - (a) Price-specie-flow
  - (b) Marshall-Lerner condition
  - (c) Accommodating versus autonomous international transactions
  - (d) The J-curve
  - (e) Monetary Union
  - (f) Current account of the balance of payments
2. What do you understand by sterilisation of foreign reserve flows?  
Outline the implications of sterilisation for the conduct of monetary policy .
3. Assuming perfect capital mobility, consider the effectiveness of (a) fiscal policy and (b) monetary policy under flexible exchange rates.
4. What is the equilibrium (spot) rate of exchange?
5. Outline the different types of transaction in forward exchange.