

Ollscoil na hÉireann, Gaillimh
National University of Ireland, Galway

Semester II Examinations 2004 / 2005

Exam Code(s)	1BA5
Exam(s)	1 st Arts (Economic and Social Studies) St. Angela's College, Sligo
Module Code(s)	EC120
Module(s)	Natural and Social Environment
Paper No.	1
Repeat Paper	No
External Examiner(s)	Professor Vincent Munley
Internal Examiner(s)	Professor Michael Cuddy Mr. Stephen McNena

Instructions:

Answer any three questions from Section A and any three questions from Section B.

Use an 8-page Answer Book for Section A and a 12-page Answer Book for Section B.

Duration	3 hours
No. of Pages	4
Department(s)	Economics
Course Co-ordinator(s)	Stephen McNena, St. Angela's College, Sligo

Requirements:

MCQ

Handout

Statistical Tables

Graph Paper

Log Graph Paper

Other Material

SECTION A (120 marks)

Answer any **THREE** of the following six questions. (about one page each)

1. (a) What is protectionism?
(b) Why was protectionism introduced in Ireland?
(c) What happened to economic policy after 1958?
2. Social Partnership was introduced in Ireland in 1987.
(a) What is meant by the term Social Partnership?
(b) In what economic context was Social Partnership introduced?
(c) Describe how Social Partnership may have contributed to economic growth in Ireland.
(d) Why has the Social Partnership process come under threat in recent years?
3. Many countries, including Ireland, have Minimum Wage laws.
(a) Comment on two of the effects of the minimum wage in Ireland.
(b) Some people criticise Minimum Wage laws, arguing that they cause more harm than benefit. Comment on this view.
(c) Outline two reasons why minimum wage rates often vary with the age of the worker.
4. (a) In terms of housing, what is meant by tenure? What is the most common type of tenure in Ireland?
(b) What has been the main aim of housing policy in Ireland? List some ways by which the policymakers have supported this objective.
(c) List three reasons for the recent large increases in house prices.
5. (a) Is economic activity evenly spread across Europe? Across Ireland? Briefly comment.
(b) Briefly explain two indicators that can be used to analyse differences in economic activity between regions.
(c) Explain two policies used to promote more balanced regional development.
6. (a) Briefly discuss the three pillars of most national pension systems.
(b) Outline the challenges facing many national pension systems.
(c) Discuss some possible reforms of national pension systems that would help them become more sustainable.

SECTION B (240 marks)

Remember to use a separate 12-page Answer Book for Section B. Answer any THREE of the following five questions:

1. (a) Who are the Government? (15 marks)
- (b) Distinguish between the Government and the Parliament in Ireland. (15 marks)
- (c) Outline, in detail, the various stages of the policymaking process in Ireland. (30 marks)
- (d) What is meant by corporatism? How does it work? (20 marks)

2. (a) (i) Explain, using a numerical example, the difference between average income tax rates and marginal income tax rates. (12 marks)
- (ii) Why are marginal tax rates important? (8 marks)
- (b) Discuss the taxation system in Ireland under the following headings: (60 marks)
 1. The three reasons why we have to pay tax
 2. The overall burden of taxation, compared to other countries
 3. The breakdown between direct and indirect taxation
 4. The Corporation tax system in Ireland, and its use in economic policy
 5. Possible future taxes, such as energy and environmental taxes and charges

3. (a) State the names of the three principal institutions of the European Union. (10 marks)
- (b) Describe the roles played by these three institutions in the EU policymaking process. (20 marks)
- (c) (i) What is the Common Agricultural Policy?
- (ii) How does it work?
- (iii) Discuss the recent major reforms of the CAP. (30 marks)

- (d) Discuss three economic effects that the recent Enlargement might have on the EU. (20 marks)

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4. (a) What is meant by Competition Policy? (10 marks)
- (b) Explain the following terms:
- (i) market power
 - (ii) concentration ratio
 - (iii) privatisation
 - (iv) universal service (30 marks)
- (c) Why do many governments and policymakers encourage more competition across the economy? (10 marks)
- (d) (i) Explain how the taxi market in Dublin was regulated in the past.
(ii) What has happened to the taxi market in Dublin since re-regulation? (30 marks)
5. (a) Discuss the causes of the large increase in the level of traffic congestion in Irish cities during the last decade. (15 marks)
- (b) Suggest three potential solutions to this problem. (15 marks)
- (c) Contrast the public transport system in Dublin with those in other European cities. (20 marks)
- (d) Using the concept of externalities, explain fully why economists favour road-pricing as a policy prescription. (30 marks)