

*Ollscoil na hÉireann, Gaillimh*

National University of Ireland, Galway

**Semester II Examinations 2004 / 2005**

<b>Exam Code(s)</b>	3BA1, 3BA5, 3BA6, 4BA4, 3BC1, 4BC2, 4BC3, 4BC4, 4BC5, 1EM1, 1OA1
<b>Exam(s)</b>	B.A., B.A. (ESS), B.A. (PSP), B.A. (Int'l), B.Comm., B.Comm. (Language), Erasmus, Occasional
<b>Module Code(s)</b>	EC353
<b>Module(s)</b>	European Economy
<b>Paper No.</b>	1
<b>Repeat Paper</b>	
<b>External Examiner(s)</b>	Professor Vincent Munley
<b>Internal Examiner(s)</b>	Mr. Brendan Kennelly Ms. Marcella O'Shea Dr. Ashley Piggins

**Instructions:****Answer any THREE questions from the following SIX.**

<b>Duration</b>	2 hours
<b>No. of Pages</b>	2
<b>Department(s)</b>	ECONOMICS
<b>Course Co-ordinator(s)</b>	Ms. Marcella O'Shea & Dr. Ashley Piggins

**Requirements:**

MCQ  
Handout  
Statistical Tables  
Graph Paper  
Log Graph Paper  
Other Material

## **EC 353 European Economy**

**Answer any THREE questions from the following SIX.**

**Time allowed: TWO hours.**

**1.**

Describe the main events which led to greater European integration in the post-war period.

**2.**

Explain, using appropriate diagrams, why tariffs lead to economic inefficiency. If so, then why do countries impose them?

**3.**

Using appropriate diagrams, show how the theory of fiscal federalism can be used to demonstrate that some decisions are better taken at the national level and others at the supra-national level. What basic economic trade-offs are involved?

**4.**

Outline the theory of optimal currency areas (OCA's). Is Europe an optimal currency area?

**5.**

The European Union's Agricultural sector has received substantial support under the Common Agricultural Policy (CAP). Discuss the following:

(a) How did the CAP-price support mechanism function in its original form?

(b) What problems have arisen with the CAP since its introduction?

(c) Why has the CAP led to conflicts between the EU and other trading partners?

**6.**

Describe fully the economic effects of the Single Market 1992. Use diagrams where appropriate.