

Faculdade de Direito da Universidade de Lisboa

International Economics

2018/2019

Exam

18 January 2019

(90 minutes)

You are free to reply in English or Portuguese.

1. What was context and content of the Methuen Treaty, between Portugal and England.
(5 points)
 - Explain immediate historical precedents and context
 - Describe content of Treaty
 - Briefly mention impact of Treaty
2. Distinguish and explain the concepts of “absolute advantage” and “comparative advantage” in International Economics. (5 points)
 - Place these concepts in their due context – choices of specialization of States in production of certain goods
 - Define concept of absolute advantage and identify its origin (Adam Smith)
 - Define concept of comparative advantage and identify its origin (David Ricardo)
3. Explain what is the practice of “dumping”, as the concept is used in international economic law and (wrongly) in competition law and in unfair commercial practices law. (5 points)
 - Explain the concept in each of these 3 areas of the law and distinguish the practices at the heart of each

4. Explain why tariffs are often described as “hidden taxes” and why there is a “democratic bias” in favour of the adoption or increase of tariffs, instead of imposing new taxes or raising them. (5 points)
- Tariffs being paid ultimately by consumers
 - Consumers / citizens not usually being aware of how tariffs work and their impact, not immediately feeling impact on their wallets