

**Faculdade de Direito da Universidade de Lisboa
2019/2020**

International Economy
(Turma B)

Professor Miguel Sousa Ferro

Exam – 29 January 2020
(2h00)

I
(4 points each)

1. Indicate the four stages of economic integration and describe the characteristics of the last phase.
2. What are the three functions of currency and what does each of them mean?
3. What is multilateralism and bilateralism in international trade negotiations? Comments on recent trends and their impact, in this regard.

II
(8 points)

Comment the following statement: *Free trade is not an absolute value which should prevail over other values.*

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**I
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1. Indicate the four stages of economic integration and describe the characteristics of the last phase.

Explain the main characteristics of the free exchange area, the customs union, the common market and the single monetary union

2. What are the three functions of currency and what does each of them mean?

Describe the 3 theoretical functions of currency

3. What is multilateralism and bilateralism in international trade negotiations? Comments on recent trends and their impact, in this regard.

Explain the difference between the two concepts, relating multilateralism in particular to the WTO/GATT. Discuss the recent trend for bilateralism and its impact on world trade and equality between States.

**II
(8 points)**

Comment the following statement: *Free trade is not an absolute value which should prevail over other values.*

A broad spectrum of answers are admissible, with points being awarded for demonstration of comprehension of the concept of free trade and of the negative impacts that free trade can have, from the perspective of different countries. Additional points awarded for a presentation of a justified defense of the student's position.