

Study Questions

Lecture 9 World Trade Arrangements and the WTO

Part 1: Multiple Choice

Select the **best** answer of those given.

1. The OECD
 - a. Gathers and publishes data on the international economy.
 - b. Provides financial assistance to developing countries.
 - c. Approves international standards and product regulations.
 - d. Includes more developing countries than developed countries.
 - e. Is a cartel of countries that export oil.
2. The Smoot-Hawley Tariff Act
 - a. Created NAFTA.
 - b. Changed US tariffs to be in compliance with the GATT.
 - c. Raised tariffs on tulips imported into the Netherlands to over 100%.
 - d. Restricted US imports of motorcycles in the 1970s.
 - e. Raised US tariffs on hundreds of products at the start of the 1930s.
3. Which of the following issues did the Uruguay Round **not** address?
 - a. Tariffs
 - b. Intellectual Property
 - c. Agriculture
 - d. Migration
 - e. Services
4. Which of the following is **not** a member of the WTO?
 - a. United States
 - b. China
 - c. Russia
 - d. Taiwan
 - e. Iran

5. Members of the World Trade Organization are required to
 - a. Eliminate all tariffs.
 - b. Allocate quotas on a first-come-first-served basis.
 - c. Use the WTO's definitions of products, such as what can be called "beer."
 - d. Enforce patent rights for patent holders from other countries.
 - e. Prevent their firms from "dumping."
6. Which of the following exceptions in the WTO rules does **not** permit a country to use a tariff or quota that is more restrictive than its bound tariff?
 - a. Anti-dumping
 - b. Countervailing duties
 - c. Safeguards
 - d. Balance of payments protection
 - e. Preferential trade agreements
7. The "principal supplier" and "principal demander" are the
 - a. Countries that negotiate tariff reductions on a particular product in a trade round.
 - b. Sources of the MFN and National Treatment cornerstones of the GATT.
 - c. Members of a dispute settlement panel that argue for and against the defendant.
 - d. Points at which supply and demand curves cross the axes.
 - e. First traders to be permitted to import under a quota during a calendar year.
8. According to Rodrik, what did the United States do early in its history that helped it to develop but that would have violated the rules of the World Trade Organization had it existed then?
 - a. It imposed high tariffs on imported manufactured goods.
 - b. It had weak rules on intellectual property.
 - c. It imposed high tariffs on imported agricultural goods.
 - d. It engaged in piracy on the high seas.
 - e. It placed higher tariffs on exports of some countries than on others.

Part II: Short Answer

Answer in the space provided.

1. What do the following acronyms stand for, and what do they mean?

a. OECD

b. MFN

c. GATT

d. TRIP

2. Fill in the blanks in the following:

Two fundamental principles of the GATT and its successor, the __ ____, are the MFN Principle and National Treatment. The difference between these is that the MFN principle rules out discrimination, on the part of a country's trade policies, between _____ while National Treatment rules out discrimination between _____.

3. Match the following organizations with the economic issues that they primarily deal with, by writing an organization's name from the list into the blank next to each issue:

Organizations: EU, ILO, IMF, OECD, UNCTAD, WIPO, World Bank, WTO

Labor rights and labor rights _____

Tariffs and other trade barriers in many countries _____

Patents, copyrights, and trademarks _____

Trade and other economic transactions within Europe _____

Provide economic assistance to developing countries _____

4. Explain the meaning of the following terms

a. Tokyo Round

b. Dispute Settlement Mechanism

c. Ministerial

- d. Bound tariff
 - e. Trade facilitation
 - g. Market economy status
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- 5. What significant agreement was reached at the WTO Ministerial Meeting in Buenos Aires, Argentina, in December 2017?
 - 6. What is the Appellate Body, and why is it in trouble?