



Topics for final exams¹

International Business Economics BA

1.1. Foreign Economic Policy

1. The World Trade Organization and the World Bank Group
 - a. The principles of the world trade regime under the GATT and the WTO
 - b. The dispute settlement mechanism of the WTO
 - c. The lending policy and management of the IBRD and the IDA
2. International trade theories
 - a. The Ricardian model
 - b. The specific factors model
 - c. The Heckscher-Ohlin model
3. The instruments of trade policy
 - a. The effects of import tariffs on prices and trade volume
 - b. The effects of export subsidies on prices and trade volume
 - c. Import quotas and voluntary export restraints compared
4. Foreign direct investments & international competitiveness
 - a. FDI: indicators, tendencies in East-Central-Europe, and promotion by governments
 - b. The potential benefits and costs of FDI to the host country
 - c. International competitiveness: concept, economic pillars and indicators

1.2. International Finance and Economics

1. External balance of the economy
 - a. Context between the national income and the external balance
 - b. The Balance of Payments statistics
 - c. Interpretation of the external balance
2. Exchange rate developments
 - a. The real exchange rate
 - b. Exchange rate in the long run
 - c. Exchange rate and interest rates
3. Exchange rate policy
 - a. Effects of currency devaluation on the external balance
 - b. Fiscal and monetary policy under fixed or floating exchange rate

¹ Refers to 2023/24 teaching year. Final exam covers 3 subjects. Each subject is divided into 4 main topics and 3 or 2 subtopics. Students get 2 topics from committee members at the final examination.

- c. Economic policy choice between fixed and floating exchange rate regimes
- 4. Theory of the Optimum Currency Area and the euro area
 - a. Theory of the Optimum Currency Area
 - b. The euro area
 - c. Adoption of the euro from the perspective of new EU members

1.3. International Financial Management

- 1. Financial markets, instruments and institutional investors
 - a. Taxonomy of financial assets
 - b. Institutional investors
 - c. Equity and fixed income market structure, clearing & settlement
- 2. Multifactor Explanation of Asset Prices
 - a. Arbitrage Pricing Theory
 - b. Theoretical and Empirical Explanation of Multifactor Models
 - c. Fama and French Models
- 3. Limits to Arbitrage
 - a. Arbitrage opportunity and Friedman's explanation
 - b. Risks and costs (fundamental and noise traders' risk, implementation costs)
 - c. Empirical evidence
- 4. Financial intermediation, institutions, risks and risk management
 - a. Financial institutions, typical risks in the banking sector
 - b. Credit risk and credit risk management
 - c. Operational risk and operational risk management