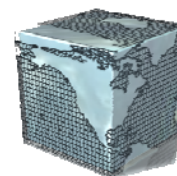


INTERNATIONAL RELATIONS

Exam #3 Study Guide (Winter 2008)



Your third exam will be on **FRIDAY, February 20th**. The exam will be a mix of objective and analytical questions, which will be drawn from all parts of the course (including Nau Chapters 8-12) since the last exam. The list of key terms below is a *guide* for studying, not an exhaustive list. The exam will follow the same format as previous exams. **NOTE: Since we didn't get to the lectures that correspond to Chapters 11 and 12, you only need to know the terms and concepts from those chapters listed below.**

Mercantilism (Colonial Version)
Hegemonic Stability Theory
Elements of British Hegemony
Gold Standard
Demise of the Gold Standard
Pax Americana
General Agreement on Tariffs and Trade (GATT)
IMF and World Bank
Stagflation
Principles of (Economic) Liberalism
"Invisible Hand" (Adam Smith)
Comparative Advantage
Terms of Trade
Protectionism/Managed Trade
Absolute v. Relative Gains
Tariffs
Gross Domestic Product/Gross National Product
Per capita GDP
Opportunity Costs
Exchange Rates (Definition)
Inflation and Deflation
Balance of Payments (Definition and Components)
Exchange Rate Changes & Effects on Trade
Foreign Direct Investment (FDI)
Money Supply
Trade-Related Intellectual Property Issues (TRIPS)
Doha Round
Capital Mobility
Sources of Globalization (Five Trends)
"Golden Straitjacket"
Multidimensional Security

Reasons for European Dominance
Pax Britannica
Repeal of the Corn Laws (1846)
Sources of British Decline
Beggar--Thy--Neighbor Trade Policies
Bretton Woods
Most-Favored-Nation (MFN) Principle
Dollar Standard
OPEC
Principles of Mercantilism (Econ. Nationalism)
"Creative Destruction" (Joseph Schumpeter)
Laissez-Faire Economics
Industrial Policies
Economic Structure (as opposed to size)
Voluntary Export Restraints
Non-Tariff Barriers
Productivity
Purchasing Power Parity (PPP)
Business Cycle
Fixed v. Floating Exchange Rates
Interest Rates and Discount Rate
Balance of Payments Crisis
Current Account Surplus/Deficit
Fiscal and Monetary Policy
Portfolio Investment
Macroeconomic Policies
Purchasing Power Parity (PPP)
Patient Capital
Globalization (Basic Definition)
Eras of Globalization
Multilevel Governance

TERMS FROM CHAPTERS 11-12

Capital Flight
Dependency Theory
Economic Autarky
Neocolonial
Official Development Assistance (ODA)

Crony Capitalism
Development
Informal Sector
Concessional Aid
Debt Relief