

UNIVERSITY OF OSLO
DEPARTMENT OF ECONOMICS

Exam: ECON4415 – International trade, spring 2004

Date of exam: Tuesday, May 25, 2004

Time for exam: 2:30 p.m. – 5:30 p.m.

The problem set covers 1 page

Resources allowed:

- No resources are allowed

The problem set consists of two problems. **You are to answer only one of the two.**

The grades given: A-F, with A as the best and E as the weakest passing grade. F is fail.

Answer one of the two following questions (NB: not both!):

1. Discuss the following proposition: "Trade liberalisation is to the advantage of small countries, because with free trade, they can benefit from exporting their goods to large foreign markets."
2. Discuss how technological progress and technology diffusion influence relative wages in a world with two countries and many goods.