

Unit 7

3. “The goal of the *World Trade Organisation (WTO)* is to reduce protectionism and allow free trade.”
Illustrate your understanding of the underlined term.

9. Distinguish between a ‘*Directive*’ and a ‘*Regulation*’ as legislative instruments within the EU.

9. Illustrate your understanding of the term *Trading Bloc*.

5. (a) Illustrate what is meant by the term 'invisible imports', with reference to the Irish economy.

- (b) Using the following data, calculate (i) Balance of Trade, (ii) Balance of Payments. State in **each** case whether it is a surplus or deficit. (Show your workings.)

Visible Exports	€50bn	Workings
Invisible Imports	€40bn	
Visible Imports	€30bn	
Invisible Exports	€35bn	

ANSWER BOX		Surplus OR Deficit
(i)Balance of Trade	€	
(ii)Balance of Payments	€	

4. **Column 1** is a list of EU Institutions. **Column 2** is a list of possible explanations of these institutions. (*One explanation does not relate to any of the institutions*)

Column 1 – Terms	Column 2 – Explanations
1. European Parliament	A. Draws up proposals for new EU law.
2. European Commission	B. Most important decision-making body in the EU.
3. European Court of Justice	C. Ensures the EU budget is spent efficiently.
4. Court of Auditors	D. Is responsible for ensuring the correct interpretation and application of EU laws by member states.
5. Council of the European Union (Council of Ministers)	E. Is responsible for managing the euro currency and the EU's monetary policy.
	F. Directly elected by EU citizens.

Match the two lists by placing the letter of the correct explanation under the relevant number below.

1	2	3	4	5

8. Distinguish between a *Quota* and a *Tariff* as **barriers** to free trade between countries.

10. (a) Explain the role of the Council of Ministers in EU decision-making.

(b) Name **two** other EU decision-making institutions.

(i) _____

(ii) _____

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4. (a) Explain what is meant by the term 'Open Economy'. _____

(b) Outline its possible impact on Ireland's economic development. _____

3. An EU directive is _____

6. (a) What is a trading bloc? _____

(b) Give **two** examples: (i) _____

(ii) _____

10. (a) Explain the term 'invisible exports':

(b) Using the following information, calculate the (i) Balance of Trade and (ii) Balance of Payments:

Total Imports €16 billion
Total Exports €19 billion

Invisible Exports €11 billion
Invisible Imports €9 billion

(i) Balance of Trade _____

(ii) Balance of Payments _____

Workings

7. What do the following letters stand for? Write each answer in full in the space provided.

CAP _____

PLC _____

EU _____

ROI _____

PRO _____

9. Define Deregulation:

8. List four institutions of the European Union.

(i) _____

(ii) _____

(iii) _____

(iv) _____

7. The Single European Market helps business because it:

10. What is a Transnational Company?

Name two Transnational companies.

(i)

(ii)

[80 marks]
