

Economics 548 International Economic Relations
Summer 2007
Homework 4

Bill Polley

July 18, 2007

Due date: Wednesday, July 25, 2007

1. What do we mean by asymmetric shocks? Why are they a problem for a monetary union? At this point in time, are the countries using the euro as able to cope with these shocks as, for example, the U.S. is able to cope with its asymmetric shocks?
2. What was the role of the IMF in the major financial crises outlined in the text? Did they help or hurt?