

AEDE/IS 539
Quiz 5

Name: _____

Circle the correct answer:

1. In terms of the world, China is currently:
 - (a) The 4th largest trading nation
 - (b) The 2nd largest trading nation**
 - (c) The 3rd largest trading nation
 - (d) The 6th largest trading nation

2. During the Maoist era, China's trade was:
 - (a) Never less than 20% of its GDP
 - (b) Never more than 15% of its GDP
 - (c) Never more than 10% of its GDP**
 - (d) Never more than 1% of its GDP

3. In the late-1970s, China's currency was:
 - (a) Fully convertible
 - (b) Tradable in a secondary "swap" market
 - (c) Traded illegally
 - (d) Not convertible**

4. In 1978-79, which provinces were opened to trade?
 - (a) Anhui and Henan
 - (b) Guangdong and Fujian**
 - (c) Shandong and Jiangsu
 - (d) Jilin and Liaoning

5. How many Special Economic Zones (SEZs) were established in the late-1970s?
 - (a) 4**
 - (b) 11
 - (c) 100
 - (d) 25

6. By 1992, China's average level of import tariffs was:
 - (a) 12%
 - (b) 61%
 - (c) 20%
 - (d) 43%**

7. Prior to 1986, China's trade policy could be described as one of:
- (a) **Export promotion and import substitution**
 - (b) Export and import promotion
 - (c) Autarky
 - (d) Totally free trade
8. Between 1987 and mid-1990s, China's "dualistic" trading regime consisted of:
- (a) Export processing (EP) vs. foreign-invested enterprises (FIEs)
 - (b) US and European FIEs vs. Hong Kong and Taiwanese FIEs
 - (c) **EP vs. ordinary trade (OT)**
 - (d) OT vs. FIEs
9. Between 1994 and 2005, China's currency was:
- (a) Not convertible
 - (b) Freely floating against other currencies
 - (c) **Pegged at 8.3 RMB to 1 US\$**
 - (d) A managed floating currency
10. After 1986, how long did it take for China to gain accession to the GATT/WTO?
- (a) 5 years
 - (b) **15 years**
 - (c) 10 years
 - (d) 2 years
11. Since accession to the WTO, China's average industrial tariffs have fallen to:
- (a) **9.4%**
 - (b) 23.3%
 - (c) 17.1%
 - (d) 36.9%
12. Currently China exports predominantly:
- (a) Capital-intensive goods
 - (b) Land-intensive goods
 - (c) High-skill/capital intensive goods
 - (d) **Medium-skill/labor intensive goods**

For an extra 2 points: Explain why it is misleading to argue that China's exports are currently becoming more technology-oriented: **While China's exports appear more technology-oriented, it is mostly importing the components from other countries in South-East Asia, and then assembling the final product, i.e., a labor-intensive activity.**