

Name: _____



INTERNATIONAL FINANCE

INSTRUCTIONS: Please answer the following questions in complete sentences where appropriate.

1. Why did the U.S. abandon the gold standard during the Great Depression?
2. What was the purpose of the Bretton Woods conference?
3. What did the Bretton Woods system establish as the medium of exchange for international trade in the post-World War II era?
4. What economic changes led to the collapse of the Bretton Woods system?
5. What determines the value of a U.S. dollar when a flexible (or floating) exchange rate system is used?
6. In the space below draw the supply and demand curves which Dr. Gill presented to help explain the changes which occur when flexible exchange rates are used? [Don't worry if you don't understand these right now; just draw them.]
7. What is the difference between "clean float" and "dirty float"?