

**MINISTRY OF EDUCATION AND SCIENCE UKRAINE**  
**WEST UKRAINIAN NATIONAL UNIVERSITY**

**Department of International Economics**

**EDUCATIONAL AND METHODOLOGICAL  
RECOMMENDATIONS ON ASSIGNMENTS  
CONDUCTING IN DISCIPLINE  
«EU MARKET»**

**Ternopil  
WUNU  
2023**

Educational and methodical recommendations on assignments conducting in discipline «EU market» for the educational-professional program of bachelors training, branch of knowledge 05 «Social and Behavioural sciences», specialty 051 «Economics» / Comp. by Stakhova N. V. Ternopil: WUNU, 2023. 28 p.

**Compilers:**

***Stakhova Nataliya Volodymyrivna,***  
*Candidate of Economic Sciences, Assistant  
Professor, Department of International  
Economics*

**In charge of issue:**

***Zvarych Iryna Yaroslavivna,***  
*Doctor of Economic Sciences, Professor,  
Head of International Economics Department*

**Reviewers:**

***Kuryliak Vitalina Yevhenivna,***  
*Doctor of Economic Sciences, Professor  
of International Economics Department*

***Deyneka Yuriy Petrovych,***  
*Head of Ternopil strategic development  
management of Ternopil city Council*

*Approved by Department of International Economics  
(Protocol No. 5 of January 4, 2023)*

## CONTENT

1. Description of the «EU market» course .....	4
2. Objective and tasks of the «EU market» course .....	5
3. Credit structure of the «EU market» course.....	6
4. Thematics of seminars of the «EU market» course .....	8
5. Typical assignments of the «EU markets» course .....	11
6. Tests of the «EU market» course .....	17
7. Assessment methods .....	26
8. Recommended references .....	27

## 1. DESCRIPTION OF THE «EU MARKET» COURSE

Discipline – EU market	Branch of knowledge, Specialty, Educational professional program, Degree of higher education	Characteristic of the discipline
ECTS credits – 5	Branch of knowledge 05 «Social and behavioural sciences»	Normative discipline Language of learning: English
Number of credit modules – 4	Specialty 051 «Economics»	Year of training: full-time studying – 4. part-time studying – 4. Semester: full-time studying – 8. part-time studying – 8.
Number of content modules – 2	Educational professional program – International economics	Lectures: full-time studying – 48 hours. part-time studying – 8 hours. Seminars: full-time studying – 48 hours. part-time studying – 4 hours.
Total hours –150 год.	Degree of higher education – bachelor	Self-preparation: full-time studying – 48 hours., including training – 4 hours. part-time studying – 138 hours. Individual work (full-time studying) – 6 hours.
Hours per week – 19 hours., among them in audience – 12 hours.		Final control: full-time studying – exam. part-time studying – exam.

## **2. OBJECTIVE AND TASKS OF THE «EU MARKET» COURSE**

**2.1. Purpose of the discipline «EU market»** is formation students' knowledge and skills in the field of European integration and also formation of common EU market, including a retrospective analysis of the peculiarities of the EU creation and institutional support for the implementation of European integration policy; assessment the impact of European integration processes on the socio-economic development of EU member states, as well as analysis the problems and prospects of EU functioning in the context of disintegration processes on the European continent and the impact the EU-Ukraine Association Agreement on further trade and economic relations between partners.

### **2.2. Tasks of the discipline:**

As a result of studying the discipline «EU market» the student should know:

- Theoretical foundations research of integration unions functioning and development;
- Reasons which impact disintegration processes and its consequences for member states;
- Peculiarities of EU enlargement and institutional management;
- Features common external, defense and trade policy of EU member states;
- Problematic aspects of Eurozone and EU functioning under disintegration in European continent;
- Challenges and opportunities the cooperation between Ukraine and EU countries under signed Association Agreement and visa liberalization between business partners.

### **2.3. Name and description of competencies, the formation which ensures the discipline:**

- ability to explain integration and disintegration processes on the example of the EU, to analyze and interpret their impact on the further of the EU functioning and relations between the EU and the UK;
- ability to draw the strategies of enterprises capture at EU market.

### **2.4. Prerequisites for study of discipline:**

Discipline: «EU market» has structurally-logical connection with the following disciplines: «International economics», «Microeconomics», «Macroeconomics», «Global macro and microeconomics».

### **2.5. Program results of study.**

As a result of studying the discipline «EU market», professional competencies have been formed, which give students the knowledge and skills to solve practical problems, namely:

- be able to analyze and interpret integration and disintegration processes within EU and also to research EU market;
- to analyze the Association Agreement between the EU and Ukraine functioning and in this context to assess the development of economic entities, their competitiveness in the EU market.

### 3.1. CREDIT STRUCTURE OF THE «EU MARKET» COURSE

Full-time studying

Theme	Number of hours					Control measures			
	Lectures	Seminars	Self-preparation	Individual work	Training CPIT				
<b>Content module 1. Theoretical grounds of international economic integration and disintegration and the evolution of European Union creation</b>									
<b>Theme 1. International economic integration.</b>	4	4	3	3	6	Questioning			
<b>Theme 2. Integration and its impact on disintegration.</b>	4	4	3						
<b>Theme 3. Research historical process of European integration.</b>	4	4	3						
<b>Theme 4. European Union and its institutions in process of the work.</b>	4	4	3						
<b>Content module 2. The challenges of EU functioning in the world and the role of Ukraine under European integration processes</b>									
<b>Theme 5. Geographical and commodity structure of the EU international trade.</b>	4	4	3	3	6	Questioning			
<b>Theme 6. Features of the EU's countries common policy.</b>	4	4	3						
<b>Theme 7. Social policy of EU countries: collaborative measures of integration and inclusive.</b>	4	4	3						
<b>Theme 8. Sectoral EU markets: analysis and common sectoral programs.</b>	4	4	3						
<b>Theme 9. Analysis the impact of EU enlargement on the well-being of Europeans.</b>	4	4	4						
<b>Theme 10. Analysis of the BREXIT and its challenges to the EU functioning.</b>	6	6	4						
<b>Theme 11. Ukraine in processes of European economic integration.</b>	6	6	4						
<b>Total</b>	<b>48</b>	<b>48</b>	<b>36</b>				<b>6</b>	<b>12</b>	

**part-time studying**

Theme	Number of hours		
	Lectures	Seminars	Self-preparation
<b>Content module 1. Theoretical grounds of international economic integration and disintegration and the evolution of European Union creation</b>			
<b>Theme 1. International economic integration.</b>	<b>4</b>	<b>2</b>	<b>12</b>
<b>Theme 2. Integration and its impact on disintegration.</b>			<b>12</b>
<b>Theme 3. Research historical process of European integration.</b>			<b>12</b>
<b>Theme 4. European Union and its institutions in process of the work.</b>			<b>12</b>
<b>Content module 2. The challenges of EU functioning in the world and the role of Ukraine under European integration processes</b>			
<b>Theme 5. Geographical and commodity structure of the EU international trade.</b>	<b>4</b>	<b>2</b>	<b>12</b>
<b>Theme 6. Features of the EU's countries common policy.</b>			<b>12</b>
<b>Theme 7. Social policy of EU countries: collaborative measures of integration and inclusive.</b>			<b>12</b>
<b>Theme 8. Sectoral EU markets: analysis and common sectoral programs.</b>			<b>12</b>
<b>Theme 9. Analysis the impact of EU enlargement on the well-being of Europeans.</b>			<b>14</b>
<b>Theme 10. Analysis of the BREXIT and its challenges to the EU functioning.</b>			<b>14</b>
<b>Theme 11. Ukraine in processes of European economic integration.</b>			<b>14</b>
<b>Total</b>			<b>8</b>

## 4. THE MATICS OF SEMINARS OF THE «EU MARKET» COURSE

### Seminar № 1, 2

**Main purpose of the seminar:** Know and use economic terminology, explain the basic concepts of international economic integration, assess the features of the FTZ.

#### **Theme 1. International economic integration.**

Definition and importance of International economic integration. The factors of international economic integration development. The types of regional economic integration and its characteristics. The consequences of international economic integration for member states of integration unions. The peculiarities of FTZ formation. The FTZ models. The Effects of FTZ formation for member states.

**References:** [1-14]

### Seminar № 3, 4

**Main purpose of the seminar:** Know and use economic terminology, explain the basic concepts of international economic disintegration.

#### **Theme 2. Integration and its impact on disintegration.**

The peculiarities of disintegration processes. The types of disintegration. The reasons of disintegration processes. The consequences and impact of disintegration processes on country's economy.

**References:** [1-14]

### Seminar № 5, 6

**Main purpose of the seminar:** Understand the main features and prerequisites the historical process of European integration.

#### **Theme 3. Research historical process of European integration.**

The reasons of EU establishment. The process of EU creation and enlargement. The Maastricht Treaty. Nice Treaty and Constitution's Europe Treaty. The Lisbon Treaty and its characteristics. Common currency – euro and Eurozone development.

**References:** [1-14]

### Seminar № 7, 8

**Main purpose of the seminar:** Understand the main features the institutional structure of the EU in decision-making.

#### **Theme 4. European Union and its institutions in process of the work.**

The European Parliament. The European Commission. The European Council. The Council of Ministers of the Qualified majority. The Court of Justice. Key EU Positions and Current European Leaders.

**References:** [1-14]

### Seminar № 9, 10

**Main purpose of the seminar:** Be able to analyze the geographical and commodity structure of the EU international trade, give arguments, critically evaluate and give conclusions from scientific and analytical reports on international economic relations of the EU.



**Theme 5. Geographical and commodity structure of the EU international trade.**

The geography of EU countries international trade. The commodity range of external and international trade of EU countries. The analysis dynamic of Ukraine's external trade. EU-China and U.S.-China Trade in Goods and Services. Retrospective analysis the cooperation of the USA with EU countries. U.S.-EU Trade and Economic Relations.

**References: [1-14]**

**Seminar № 11, 12**

**Main purpose of the seminar:** Be able to evaluate EU's sectoral and regional policy.

**Theme 6. Features of the EU's countries common policy.**

The Common Foreign and Security Policy. The Common Security and Defense Policy in the process. The Relationship of the EU to NATO. The Justice and Home Affairs. The Schengen area. The common external trade policy.

**References: [1-14]**

**Seminar № 13, 14**

**Main purpose of the seminar:** Be able to make monitoring the measures of EU countries on Plan Actions of integration and inclusive development, find out issues and on this basis develop new program actions.

**Theme 7. Social policy of EU countries: collaborative measures of integration and inclusive.**

Fostering social cohesion and building inclusive societies for all. Lessons learnt from the 2016 action plan on integration and key facts and figures on integration and inclusion. Key principles and values of the EU action plan on integration and inclusion. Actions in main sectoral areas: Education and training. Sectoral policy of EU countries on Employment and skills. Healthcare services: integration and inclusive measures. Access to adequate and affordable housing is a key determinant of successful integration. Building strong partnerships for a more effective integration process. Increased opportunities for EU funding under the 2021-2027 Multi-annual Financial Framework. Fostering participation and encounters with the host society. Enhance the use of new technologies and digital tools for integration and inclusion. Monitoring progress: towards an evidence-based integration and inclusion policy.

**References: [1-14]**

**Seminar № 15, 16**

**Main purpose of the seminar:** Be able to analyze EU sectoral markets and develop common programs.

**Theme 8. Sectoral EU markets: analysis and common sectoral programs.**

The sectoral scope of the common commercial policy. The CCP extended to trade in services and the commercial aspects of intellectual property. The CCP extended to foreign direct investment.

**References: [1-14]**

### **Seminar № 17, 18**

**Main purpose of the seminar:** Be able to analyze the process of EU enlargement.

**Theme 9. Analysis the impact of EU enlargement on the well-being of Europeans.**

The research of EU economic policy concerning member states and EU outside countries. The access EU enlargement and its consequences for EU member states. The analysis of crises and conflict interests in the process of EU functioning.

**References: [1-14]**

### **Seminar № 19, 20, 21**

**Main purpose of the seminar:** Be able to think abstractly, analyse and identify the key reasons of BREXIT, as well as the behavior of entities in the disintegration processes on the European continent.

**Theme 10. Analysis of the BREXIT and its challenges to the EU functioning.**

Brexit essence. The reasons of Brexit. The exit of United Kingdom from EU: risks and chain reaction of member states on disintegration processes. How BREXIT affected the EU. The EU 27 development under modern challenges.

**References: [1-14]**

### **Seminar № 22, 23, 24**

**Main purpose of the seminar:** Analyze the Association Agreement between Ukraine and the EU functioning, the development of economic entities, as well as calculate the relevant indicators that characterize the effectiveness of their activity.

**Theme 11. Ukraine in processes of European economic integration.**

The regional agreements of Ukraine's FTZ: opportunities and risks. The evolutional approaches on Association Agreement of Ukraine with EU countries. The trade policy of Ukraine in the context of European integration. Visa regime liberalization between Ukraine and EU countries.

**References: [1-14]**

## 5. TYPICAL ASSIGNMENTS OF THE «EU MARKET» COURSE

### Assignment 1

A car tire in Ukraine costs 85 dollars USA, in Poland – 50 dollars. USA, in Italy – 70 dollars. USA. Ukraine is a small country for the international automotive market, and its trade of components and cars does not affect the level of international prices.

### Solution

1. Before the customs union formation, which of the countries has a comparative advantage in the production of automobile tires and is the most efficient producer.

2. In order to equally protect its producers, Ukraine sets differential tariffs for local producers of car tires from Poland and Italy, in order to raise the import price.

Accordingly, Ukraine sets import tariff like **75%** for Poland, as a result of which the price of car tires will increase from **\$50. to 87.5** dollars, and for Italy – only **25%** (as a result, the import price will increase from **70 to 87.5 dollars**).

3. Suppose Ukraine introduces an ad valorem customs tariff of 50% on the import of tires. Will Ukrainian residents continue importing tires? From which of the proposed countries?

$$\text{Poland} = 50 + (50 \times 0.5) = \mathbf{75} \text{ dollars.}$$

$$\text{Italy} = 70 + (70 \times 0.5) = \mathbf{105} \text{ dollars.}$$

4. Taking into account 100% of the ad valorem import tariff, the prices of imported tires for Ukrainian residents will reach the level of:

$$\text{Import from Poland: } R_{\text{imp.}} = \mathbf{100} \text{ dollars}$$

$$\text{Import from Italy: } R_{\text{imp.}} = \mathbf{140} \text{ dollars}$$

These prices are significantly higher than local prices.

Most likely, in the absence of political motives, Ukrainian residents will refuse to import tires from abroad.

5. We assume that in the presence of import tariffs for tires, there is a total demand of **100** units in Ukraine every year, while Ukrainian producers can only supply **50** units. (they can produce the maximum). In accordance with mentioned, to meet domestic demand, Ukraine will import tires from Poland and Italy, respectively, **25** units from each country.

6. Ukraine and Poland decided to create the customs union. As a result, the free market price will be **\$50.** and will be very attractive for Ukrainian consumers. It means that Ukrainian consumers will have the opportunity to use more tires, as average tire prices will decrease with the tariffs removal on Polish tires, and as a result, the overall demand for tires will increase. For example, the total volume of production and consumption may increase till **120 units. (by 20 units more).**

In comparison of domestic price and import prices for tires, Ukrainian manufacturers will reduce production from **50 units. up to 30 units.**

To meet domestic demand, Ukraine will increase imports from Poland from **25** units. to **85** units, and imports from Italy will decrease till **5** units. The total consumption of car tires in Ukraine will increase from **100 units** (50 + 25 + 25) to **120 units** (30 + 85 + 5).

The **20 units** of tires produced and consumed is a new trade created as a result of the barriers removal by union members. In the future, this will enable Poland and Ukraine to react more dynamically. Over time, when the countries (Poland and Ukraine) become more integrated, increased trade between them will lead to further efficient results, for example, by applying economies of scale.

### Assignment 2

Using your own example, explain the creating trade effect, taking into account 3 countries that trade between themselves and produce an identical product. Explain why and in which case and between which countries will be the trade diversion effect.

### Solution

Taking a hypothetical example from an actual historical period, let's say that before joining the European «**common market**» in 1973, Great Britain could produce butter at an average (price) of **130 per 1 kg**. At the same time, New Zealand could produce the same quantity at **100 (price)** and Denmark at **120 (price)**.

Therefore, before the customs union formation, New Zealand has a **comparative advantage** in the butter production and is the most efficient producer. Denmark is the **second most efficient producer** and the UK is **the least efficient**.

Suppose that, in order to protect farmers equally, Great Britain sets differential tariffs on local butter producers from New Zealand and Denmark in order to raise the imported price on butter.

Accordingly, Great Britain sets the import tariff of **32%** for New Zealand, as result of the price on butter will increase from **100 to 132**, and for Denmark – only **10%** (as a result of the import price will increase from **120 to 132**).

Assume that with import tariffs on butter, overall demand in the UK is **30 million kg** on butter each year, in that moment UK farmers can only supply **20 million kg** of butter (they can produce the maximum). According to the above, to meet domestic demand, Great Britain will import butter from New Zealand and Denmark, respectively **5 million kg** from each country.

1) **trade creation effect** – the reorientation of local consumers from a less efficient internal source of goods supply to a more efficient external source (import), which became possible due to the abolition of import duties within the framework of the customs union.

#### **The main features of the trade creation effect are:**

- reorientation from domestic production to cheap imported goods from other member countries of the customs union;
- production effect: reduction of inefficient local production and minimization of inefficient use of available resources;
- consumption effect: increase in demand from that moment when prices fell.

When a customs union is created between countries, then they agree to eliminate customs tariffs among themselves. As a result, countries face lower prices, zero tariffs, import flows of goods from member countries, and as a result, there is an increase in demand for these goods from side of consumers.

For example, if Denmark and Great Britain decided to form a customs union, then the imports tariffs on butter from Denmark would have to be reduced, and as a

result they would one day be completely removed. As a result, the free market price will be **120** units and will be very attractive for UK consumers. This means that UK consumers will be able to consume more butter, as average butter prices will fall with the tariffs removal on Danish butter, and overall butter demand will increase as a result.

For example, the total volume of production and consumption may increase to **32 million kg. of butter (2 million kg. more)**.

When compare the domestic price and imported prices for butter, British farmers will reduce production from **20 million kg to 15 million kg**. To meet domestic demand, Great Britain will increase imports from Denmark from **5 million kg to 15 million kg** of butter, while imports from New Zealand will decrease till **2 million kg**. Total butter consumption in Great Britain will increase from **30 million kg (20 + 5 + 5) to 32 million kg (15 + 15 + 2)**.

**2 million kg** of butter produced and consumed is a new trade created by the barriers removal by union members. In the future, this will enable Denmark and Great Britain to react more dynamically. Over time, as the countries (Denmark and the UK) become more integrated, increased trade between them will lead to further efficiency gains, for example through the application of scale economies.

**2) trade diversion effect** – reorientation of local consumers from purchasing goods from a more efficient non-integrated source of supply to a less efficient internal integration source, which occurred as a result of the import duties elimination within the framework of the customs union.

For example, after Denmark and Great Britain formed the customs union, New Zealand, which was the most efficient producer of butter, suffered a loss of sales in the UK from **5 million kg to 2 million kg**. In other words, there was a shift in trade between **Great Britain and New Zealand** towards trade between **Great Britain and Denmark**.

### Assignment 3

A car wheel costs \$ 100 in Ukraine, in Poland – \$ 80, in Mexico – \$ 60. Ukraine is a small country, and its foreign trade does not affect world prices.

**A.** Ukraine introduces a 100 percent ad valorem tariff on imports of wheels from Mexico and Poland. Will Ukraine continue to import wheels?

**B.** If Ukraine then forms a customs union with Mexico, will it produce or import the wheels itself?

**C.** What effect – the trade creation or the trade diversion – occurs when establishing a customs union between Ukraine and Mexico?

**D.** Suppose now that Ukraine introduces a 50 percent rather than a 100 percent ad valorem tariff on the import of wheels from Mexico and Poland. Will Ukraine continue to import wheels?

**E.** If Ukraine now forms a customs union with Poland, will it produce or import the wheels itself?

**F.** What effect – the creation of trade or the diversion of trade – arises when establishing a customs union between Ukraine and Poland?

### Solution

A. No, because taking into account the tariff, the price of a wheel imported from Mexico is 120 US dollars, and from Poland – 160 dollars, which is much more than the cost of wheels made in Ukraine.

B. Ukraine will import wheels from Mexico at a price of \$ 60. and will abandon its own production or import of wheels from Poland, which in connection with the tariff will cost 160 dollars.

C. There is an effect of creation trade, as less efficient domestic production in Ukraine is replaced by more efficient imports from Mexico, which did not exist before.

D. Yes, because taking into account the tariff, the price of a wheel imported from Mexico is \$ 90. USA, which is less than the cost of wheels that are made in Ukraine or imported from Poland.

E. Ukraine will stop its own production and will import wheels from Poland at a price of \$ 80. USA, will refuse to import from Mexico, as their price will be \$ 90.

F. Both effects occur. The integration effectiveness depends on the ratio of the share of each of them.

### Assignment 4

1. Choose one of the countries of the post-Soviet space.



- |               |                  |
|---------------|------------------|
| 1. Azerbaijan | 8. Lithuania     |
| 2. Armenia    | 9. Moldova       |
| 3. Belarus    | 10. -----        |
| 4. Georgia    | 11. Tajikistan   |
| 5. Kazakhstan | 12. Turkmenistan |
| 6. Kyrgyzstan | 13. Uzbekistan   |
| 7. Latvia     | 14. Ukraine      |
|               | 15. Estonia      |

2. Investigate the history of cooperation between the selected country and EU countries)

– cooperation agreements, conferences or meetings dedicated to the rapprochement of partners in the context of European integration.

3. Count and access issues of chosen country entrance into EU (at least 10 obstacles).

4. Clearly count and research the chosen country priorities can obtain (has already obtained) in the perspective (in the process) of its European integration intentions realizing.







5. In your opinion, which country of EU is (was) the example for following in the process of Euro integration intensions achievement (reforms, economic, social, political, military, cultural achievement).

### Assignment 5

1. Choose one of EU member state.

#### The list of EU member states

<b>Austria</b>	
<b>Belgium</b>	
<b>Bulgaria</b>	
<b>Greece</b>	
<b>Denmark</b>	
<b>Estonia</b>	
<b>Ireland</b>	
<b>Spain</b>	
<b>Italy</b>	
<b>Cyprus</b>	
<b>Latvia</b>	
<b>Lithuania</b>	
<b>Luxembourg</b>	
<b>Malta</b>	
<b>The Netherlands</b>	
<b>Germany</b>	
<b>Poland</b>	
<b>Portugal</b>	
<b>Romania</b>	
<b>Slovakia</b>	
<b>Slovenia</b>	

<b>Hungary</b>	
<b>Finland</b>	
<b>France</b>	
<b>Croatia</b>	
<b>The Czech Republic</b>	
<b>Sweden</b>	

2. Analyze commodity structure (the list of commodities, services) of international trade of chosen country by the student. On the analysis make conclusion.

3. Estimate the geography of export-import operations of chosen country by the student.

4. Access foreign trade cooperation between Ukraine and chosen country (issues, prospects).

<b>Issues</b>	<b>Prospects</b>

5. Which role do the chosen country has in implementation of Ukraine membership in EU? (projects, assistance (financial, technical, military, humanitarian)).



## 6. TESTS OF THE «EU MARKET»

### **International economic integration**

- a. the process of combining two or more objects into one system;
- b. a qualitatively new stage the development and a form of manifestation internationalization of economic life, which involves convergence and mutual adaptation, the interweaving all structures of national economies;
- c. the process creating of an union between individual elements or member countries and involves the elimination of discrimination between their economic agents;
- d. all answers are correct.

### **What are the levels of integration?**

- a. horizontal and vertical;
- b. macro and transnational;
- c. macro and macro levels;
- d. no correct answer.

### **Horizontal integration is**

- a. merger firms produce similar or homogeneous goods in the purpose their further sale through a common system of distribution and obtaining additional profits;
- b. joining of firms operate in different production cycles;
- c. formation economic unions of countries with one or another degree the coordination of their national policies;
- d. joining manufacturer of raw materials or semi-finished products to main producer company.

### **Vertical integration is**

- a. merger firms produce similar or homogeneous goods in the purpose their further sale through a common system of distribution and obtaining additional profits;
- b. joining of firms operate in different production cycles;
- c. formation economic unions of countries with one or another degree the coordination of their national policies;
- d. joining manufacturer of raw materials or semi-finished products to main producer company.

### **The micro level provides**

- a. merger firms that produce similar or homogeneous goods in the purpose their further realization through a common system of distribution and obtaining additional profits;
- b. formation of economic unions of countries with one or another degree of coordination of their national policies;
- c. intra-firm integration and transnationalization;
- d. joining manufacturer of raw materials or semi-finished products to the main producer company.

### **How many regional trade agreements have been signed in the world on the basis economic associations of countries formation with some degree the harmonization of their national policies?**

- a. 123 agreements;
- b. 300 agreements;
- c. more than 300 t agreements;
- d. no correct answer.

### **What ways are economic integration unions of countries formed?**

- a. bottom-up and right-left;
- b. up-bottom and bottom-up;
- c. right- left and back and forth;
- d. all answers are correct.

### **Free Trade Zone (FTZ) is**

- a. two or more countries reduce tariff barriers on imported goods, maintaining tariffs rate in trade with other countries;
- b. provides elimination of internal tariffs between the participating countries and the establishment of a common external tariff in trade with third countries;
- c. provides not only the elimination of any trade restrictions between member countries, the implementation of a common foreign trade policy and free movement of goods, services, capital, citizens, but also the harmonization of domestic and foreign economic, financial and social policies. In the participating countries are usually a single currency;
- d. all answers are incorrect

### **The preferential trade agreement provides**

- a. merger two or more countries that reduce tariff barriers on imported goods, maintaining tariffs rate in trade with other countries;
- b. elimination domestic tariffs on manufactured goods within the group, maintaining its own tariff policy with other countries;
- c. disintegration the whole object into its component parts; a situation in which an association / union / grouping loses a member state;
- d. all answers are correct

### **The customs union provides**

- a. unification two or more countries that reduce tariff barriers on imported goods, maintaining tariffs rate in trade with other countries;
- b. elimination domestic tariffs on manufactured goods within the group, maintaining its own tariff policy with other countries;
- c. elimination internal tariffs between the participating countries and the establishment a common external tariff in trade with third countries;
- d. all answers are correct.

### **The common market provides**

- a. unification two or more countries that reduce tariff barriers on imported goods, maintaining tariffs rate in trade with other countries;
- b. elimination domestic tariffs on manufactured goods within the group, maintaining its own tariff policy with other countries;
- c. elimination internal tariffs between the participating countries and the establishment a common external tariff in trade with third countries;
- d. elimination not only customs taxes between member states and the development a common trade policy towards third countries, but also the development a common policy for individual sectors and sectors of the economy, etc.

### **The domino effect is**

- a. countries remaining outside the regional integration union mostly experience some difficulties in relations with country members of this group;

- b. there are positive changes, such as: accelerating economic growth, reducing inflation, increasing social protection, reducing unemployment, etc.;
- c. market «unification» of economic development, including harmonization of technical norms and standards;
- d. no correct answer.

**What year did the European Coal and Steel Community (ECSC) start operating?**

- a. 1951;
- b. 1952;
- c. 1957;
- d. 1958.

**What year did so-called Rome Agreements enter into force (European Economic Community (EEC) and European Atomic Energy Community (Euratom))**

- a. 1951;
- b. 1952;
- c. 1957;
- d. 1958.

**Economic disintegration is**

- a. disintegration the whole object into its component parts; a situation in which an association / union / group loses a member state due to dissatisfaction with the general economic, political, and social policies; the decision the country to terminate participation in a certain association / union / grouping;
- b. divergence economic policies of individual countries, «regulatory decooperation»;
- c. strengthening barriers for international movement the factors of production; introduction initial minor measures of protectional policy by the disintegrating state;
- d. all answers are correct.

**What are the main forms of disintegration?**

- a. Shocked and moaning (latent);
- b. Contractual and Forced;
- c. Conflict and Divergence;
- d. up (state) and down (enterprises);
- e. all answers are correct.

**Reasons of disintegration**

- a. the inability the government of the integration union to overcome inequality in the economic, social, infrastructural, financial, environmental, technological levels of development;
- b. the absence a significant change in the improvement economic indicators of the state, the «imposition» the integration to weaker partner countries;
- c. inconsistency of cultural and institutional development;
- d. No correct answer.

**What are the main stages for countries to join the European Union?**

- a. Advisory, Evaluation, Negotiation, Implementation, Ratification;
- b. Advisory, Negotiation, Evaluation, Implementation, Ratification;
- c. No correct answer

**The first participants of the European Union were**

- a. Belgium, Spain, Luxembourg, the Netherlands, Germany, France;
- b. Denmark, Spain, Luxembourg, the Netherlands, Germany, France;
- c. Belgium, Italy, Luxembourg, the Netherlands, Germany, France

**When did the first enlargement of the European Community take place?**

- a. 1973;
- b. 1972;
- c. no correct answer

**In 1986, the Single European Act (EEA) was approved in Luxembourg, which aimed to**

- a. by 1992 to complete a free trade zone formation;
- b. strengthen the role of the European Commission (more legislative power);
- c. all answers are incorrect

**In 1995 the members of the European Union became**

- a. Finland, Sweden, Switzerland;
- b. Iceland, Sweden, Switzerland;
- c. all answers are incorrect

**What year has been the largest enlargement of the European Union since the beginning of the integration process?**

- a. May 1, 2004;
- b. June 1, 2004;
- c. all answers are incorrect

**What year did the last EU enlargement take place?**

- a. January 1, 2007;
- b. July 1, 2013;
- c. June 16, 2014

**The purpose of the Marshall Plan**

- a. Europe reconstruction, giving American assistance to postwar Europe;
- b. development number of technical assistance projects, engineering projects and economic research;
- c. no correct answers.

**What are the EU institutions?**

- a. European Parliament, European Commission, European Council;
- b. Council of Ministers (EU), European Court of Justice;
- c. All answers are correct

**The European Parliament consists of**

- a. 405 deputies + Chairman;
- b. not more than 96, not less than 6 deputies;
- c. 705+ Head

**The main powers of the European Parliament include**

- a. budgetary powers, legislative powers, advisory powers;
- b. initiates new legislation and submits it to the Parliament and the Council of the EU;
- c. budgetary powers, legislative powers, advisory powers, political control.

**Horizontal integration is**

- a. merger firms that produce similar or homogeneous goods in purpose their further realization through a common system of distribution and obtaining additional profits;
- b. acquisition by a steel company a plant that produces metal structures;
- c. joining manufacturer of raw materials or semi-finished products to main producer company.

**Vertical integration involves**

- a. mergers firms that produce similar or homogeneous goods in purpose their further sale through a common system of distribution and obtaining additional profits;
- b. joining firms operating in different production cycles;
- c. joining manufacturer of raw materials or semi-finished products to main producer company.

**What forms of vertical integration do you know?**

- a. contractual, forced and coercive;
- b. conflict, divergence and integration «down»;
- c. production integration «up», «down» and non-production integration «up».

**Static effects are**

- a. economic consequences that appear immediately after customs union formation as its direct result;
- b. economic consequences that are manifested in the more advanced stages of customs union functioning;
- c. elimination internal tariffs between the member countries of the Customs Union.

**Dynamic effects are**

- a. economic consequences that appear immediately after customs union formation as its direct result;
- b. economic consequences that are manifested in the more advanced stages of customs union functioning;
- c. elimination internal tariffs between the member countries of the Customs Union.

**What types of static effects do you know?**

- a. the flow-diverting effect and the effect reorientation from domestic production to cheap imported goods from other member states of the customs union;
- b. production effect and consumption effect;
- c. effect of trade creation and effect of trade deviation.

**The effect of trade creation is**

- a. reorientation from domestic production to cheap imported goods from other member countries of the customs union;
- b. when countries replace imports of cheaper goods from third countries with more expensive imports from producers of member countries of the customs union;
- c. reorientation of local consumers from purchasing goods from a more efficient non-integrated source of supply to a less efficient intra-integration source.

**The effect of trade diversion is**

- a. reorientation from domestic production to cheap imported goods from other member countries of the customs union;

- b. reorientation of local consumers from purchasing goods from a more efficient non-integrated source of supply to a less efficient intra-integration source;
- c. specialization between the countries of the customs union and high competition within the customs union.

**Shocked disintegration is**

- a. due to the fact that the countries were previously united on different grounds or the interaction of countries took place with different stages of integration;
- b. unexpected, quick decision of the country to withdraw from the integration union; because integration was built on informal trade;
- c. when the political system initiates the process of disintegration, and the economy is forced to take the blow and adapt to disintegration processes.

**Moaning disintegration is**

- a. due to the fact that the countries were previously united on different grounds or the interaction of countries took place with different stages of integration;
- b. unexpected, quick decision of the country to withdraw from the integration association; because integration was built on informal trade;
- c. when the political system initiates the process of disintegration, and the economy is forced to take the blow and adapt to disintegration processes.

**What did the Maastricht Treaty provide for?**

- a. transformation the European Community into a union of states called the European Union;
- b. introduction of a common currency;
- c. no correct answer.

**What are the functions of the European Commission?**

- a. initiates new legislation and submits it to the Parliament and the Council of the EU;
- b. implements EU policy and budget,
- c. ensures following the European legislation and represents the European Union in the international arena
- d. all answers are correct

**The share of products in Ukrainian export are**

- a. IT services and transport services;
- b. goods the primary sector of the economy, raw materials and intermediate goods with a relatively low of technological component;
- c. machinery products and related industries.

**Ukraine's key trading partners are**

- a. EU countries;
- b. CIS;
- c. russia.

**How many free trade agreements has Ukraine concluded as of 2017?**

- a. 30;
- b. 25;
- c. 16

**The largest free trade zone (FTZ) was implemented in January 1, 2016 in Ukraine with**

- a. EFTA (Switzerland, Norway, Iceland and Liechtenstein);
- b. the Commonwealth of Independent States;
- c. European Union.

**What problems did the European Union face?**

- a. BREXIT;
- b. migrants crisis;
- c. a set the problems related to migration, terrorism, BREXIT, political instability, problems with some parts of the EU and in Ukraine, etc.

**According to the 2016 referendum on BREXIT from the EU by territorial division**

- a. majority of people in Northern Ireland and Scotland want to stay in the EU;
- b. majority of people from Welsh and England want to stay in the EU;
- c. no correct answer.

**Britain's formal exit from the EU took place**

- a. June 23, 2016;
- b. January 1, 2020;
- c. no correct answer.

**Which countries are included in the Visegrad Four?**

- a. Georgia, Moldova, Ukraine; Romania;
- b. Ukraine, Poland, Slovakia, Hungary;
- c. Poland, Slovakia, Hungary, Czech Republic.

**Which Eastern Partnership countries have visa-free travel liberalization for short-term trips to EU countries?**

- a. Belarus and Moldova;
- b. Ukraine, Azerbaijan, Georgia;
- c. Ukraine, Moldova, Georgia.

**What year did Ukraine become the third country out of six Eastern Partnership countries to receive a visa-free regime?**

- a. 2016;
- b. 2014;
- c. 2017.

**Which countries have signed the Paris Treaty**

- a. France, Germany, Italy, Belgium, the Netherlands, Luxembourg;
- b. Great Britain, Denmark, Ireland;
- c. BENILUX countries;
- d. BENILUX countries and France, Germany.

**What year was the European Community (EU) created?**

- a. 1957;
- b. 1958;
- c. 1967.

**What year did Greece join the EU**

- a. 1967;
- b. 1988;
- c. 1981.

**What year did Great Britain, Denmark and Ireland join the EU**

- a. 1973;
- b. 1988;
- c. 1981.

**What year did Portugal and Spain join the EU**

- a. 1973;
- b. 1986;
- c. 1981.

**In 1995, the following countries have joined the EU**

- a. Austria, Sweden and Finland;
- b. BENILUX countries and Austria, Finland;
- c. BENILUX countries and France, Germany.

**The European Community (EU) was created by merging which institutions?**

- a. ECSC, EEC, Euratom;
- b. OECD, NATO, WTO;
- c. ECSC, OECD, Euratom.

**The trade zone includes the following forms of international economic integration**

- a. preferential trade area, FTZ, Common Market;
- b. common market, economic and political alliances;
- c. preferential trade area, FTZ, customs union.

**The production area includes the following forms of international economic integration**

- a. preferential trade area, FTZ, Common Market;
- b. common market, economic and political alliances;
- c. preferential trade area, FTZ, customs union.

**The positive effects of the FTZ are:**

- a. strengthening specialization in production, increasing market size, more efficient use of resources;
- b. application innovative methods of production, marketing, distribution and use of new technologies, obtaining export revenue, etc .;
- c. all answers are correct.

**The negative effects of FTZ are:**

- a. strengthening specialization in production, increasing market size, more efficient use of resources;
- b. application innovative methods of production, marketing, distribution and use of new technologies, obtaining export revenue, etc.;
- c. all answers are incorrect.



**The negative effects of free trade zone creating are:**

- a. the emergence of structural unemployment in the short term, businesses, producers and consumers become more vulnerable to economic downturns, the emergence of unfavorable trade conditions for certain industries, air and environmental pollution, etc.;
- b. strengthening specialization in production, increasing market size, more efficient use of resources, application innovative methods of production, marketing, distribution and use of new technologies, obtaining export revenue, etc.;
- c. all answers are correct.

**Has Norway managed to become a member of the EU?**

- a. yes;
- b. no;
- c. in the process of joining.

**In a referendum in December 1992, the Swiss have voted**

- a. against the ratification of the Agreement on the European Economic Area;
- b. for ratification of the Agreement on the European Economic Area;
- c. Switzerland is a member of the EU.

**The first Central and Eastern European countries have applied to join the EU in 1994**

- a. Baltic countries;
- b. Hungary and Lithuania;
- c. Poland and Hungary.

**Which countries have joined the EU in 2004?**

- a. Latvia, Lithuania, Estonia, Poland, Hungary, Slovakia, Slovenia, Cyprus and Malta;
- b. Latvia, Lithuania, Estonia, Hungary, Czech Republic, Slovakia, Slovenia, Cyprus and Malta;
- c. no correct answer.

**What year did the Lisbon Treaty enter into force?**

- a. December 1, 2007;
- b. December 1, 2008;
- c. December 1, 2009.

**Which countries have joined the EU in 2007?**

- a. Bulgaria and Romania;
- b. Croatia and Serbia;
- c. Serbia and Montenegro.

**How many countries are in the EU?**

- a. 25;
- b. 28;
- c. 27.

**What year did Ukraine join the EU?**

- a. January 1, 2016;
- b. January 1, 2017;
- c. all answers are incorrect.

## 7. ASSESSMENT METHODS

In the process of teaching the course «EU market», the following methods of student performance assessment are used (according to 100-point grading scale):

- standardized tests;
- current survey;
- analytical reports, abstracts;
- presentations of the results of the performed tasks and researches;
- evaluation of the results of the CPIA;
- Rector's control work;
- exam.
- other types of individual and group tasks.

### Assessment Methods, BHERIIR (full-time studying)

Credit module 1	Credit module 2 (rector's final test)	Credit module 3 (final grade of CPIT, training)	Exam
20%	20%	20%	40%
1. In class questions (4 topics = 20 score) 2. Writing paper = 80 score.	1. In class questions (7 topics = 35 score) 2. Writing paper = 65 score.	1. Defense CPIT equal 80 score. 2. Training equal 20 score.	1. Assignment 1 – max. 20 score. 2. Test (20 tests – 2 score for 1 test) – max. 40 score. 3. Analytical assignment – max. 40 score.

### Grading scale

According to the scale of university	According to the national scale	According to the ECTS scale
90–100	Excellent	A (excellent)
85–89	Good	B (very good)
75–84		C (good)
65–74	Satisfactory	D (satisfactory)
60–64		E (sufficient)
35–59	Unsatisfactory	FX (unsatisfactory with obligatory repeated course)
1–34		F (unsatisfactory without repeated course)

## 8. RECOMMENDED REFERENCES

1. *A reminder of how Britain voted in the EU referendum – and why.* Lord Ashcroft Polls. URL: <https://lordashcrofipolls.com>.
2. *Briefing paper: Statistics on UK-EU trade*, by Matthew Ward. 11 January 2019. p. 13.
3. *EU Referendum – Results.* BBC News. URL: [https://www.bbc.com/news/politics/eu\\_referendum/results](https://www.bbc.com/news/politics/eu_referendum/results).
4. *The Schuman Declaration.* URL: [http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index\\_en.htm](http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index_en.htm).
5. Zave Kauffman. *Ukraine and European Union.* URL: <http://www.ledalliance.biz/image/art/pdf/ukraine-eu.pdf>.
6. Kristin Archick. *The European Union: Questions and Answers.* Congressional Research Service. October 28, 2021. URL: <https://sgp.fas.org/crs/row/RS21372.pdf>.
7. *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Action plan on Integration and Inclusion 2021–2027.* Brussels, 24.11.2020 COM(2020) 758 final. URL: [https://ec.europa.eu/home-affairs/system/files\\_en?file=2020-11/action\\_plan\\_on\\_integration\\_and\\_inclusion\\_2021-2027.pdf](https://ec.europa.eu/home-affairs/system/files_en?file=2020-11/action_plan_on_integration_and_inclusion_2021-2027.pdf).
8. *Reformatting the European Integration Process: Opportunities and Risks for the Ukraine-EU Association / V. Sidenko (project manager) et al.* Kyiv: Zapovit Publishing House, 2019. 228 p. URL: [https://razumkov.org.ua/uploads/article/2019\\_reformatting\\_the\\_european\\_integration\\_process.pdf](https://razumkov.org.ua/uploads/article/2019_reformatting_the_european_integration_process.pdf).
9. Goodison, P. *The Impact of the EU-UK Trade and Cooperation Agreement on Caribbean Exporters.* International Trade Working Paper 2022/01, Commonwealth Secretariat, London. URL: [https://www.cepal.org/sites/default/files/events/files/study\\_on\\_caribbean\\_supply\\_chains.pdf](https://www.cepal.org/sites/default/files/events/files/study_on_caribbean_supply_chains.pdf).
10. *EU Membership and Trade.* URL: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220968/foi\\_eumembership\\_trade.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/220968/foi_eumembership_trade.pdf).
11. John Benedetto. *EU-China and U.S.-China Trade in Goods and Services.* U.S. International Trade Commission (USITC). Executive Briefing on Trade, August 2019. URL: [https://www.usitc.gov/publications/332/executive\\_briefings/eu-china\\_and\\_u\\_s-china\\_trade\\_in\\_goods\\_and\\_services\\_2019-08\\_ebot\\_benedetto.pdf](https://www.usitc.gov/publications/332/executive_briefings/eu-china_and_u_s-china_trade_in_goods_and_services_2019-08_ebot_benedetto.pdf).
12. *Key statistics and trends in international trade 2019.* United Nations. Geneva 2020. URL: [https://unctad.org/system/files/official-document/ditctab2019d7\\_en.pdf](https://unctad.org/system/files/official-document/ditctab2019d7_en.pdf).
13. Yuri Devuyt. *The European Union's competence in international trade after the treaty of lisbon.* URL: <https://digitalcommons.law.uga.edu/cgi/viewcontent.cgi?article=1060&context=gjicl>.
14. *U.S.-EU Trade and Economic Relations.* Congressional Research Service Informing the legislative debate since 1914. December 21, 2021. URL: <https://sgp.fas.org/crs/row/IF10931.pdf>.

*Навчально-методичне видання*

*Nataliya Volodymyrivna Stakhova*

**EDUCATIONAL AND METHODOICAL  
RECCOMENDATIONS ON ASSIGNMENTS  
CONDUCTING IN DISCIPLINE  
«EU MARKET»**

Підписано до друку 11.01.2023 р.  
Формат 60x90/16. Гарнітура Times.  
Папір офсетний. Друк на дублікаторі.  
Умов. друк. арк. 1,6. Обл.-вид. арк. 1,8.  
Тираж 50 прим.

Видавець та виготовлювач  
Західноукраїнський національний університет  
вул. Львівська, 11, м. Тернопіль 46009

*Свідоцтво про внесення суб'єкта видавничої справи  
до Державного реєстру видавців ДК № 7284 від 18.03.2021 р.*