



**NTNU – Trondheim**  
Norwegian University of  
Science and Technology

Department of Economics

## **Examination paper for SØK3525 – International Economics**

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**Examination date:** 27.05 2016

**Examination time (from-to):** 6 hours (09.00 – 15.00)

**Censorship date:** 17.06.2016

**Permitted examination support material:** C / Flg formelsamling: Knut Sydsæter, Arne Strøm og Peter Berck (2006): Matematisk formelsamling for økonomer, 4utg. Gyldendal akademiske. Knut Sydsæter, Arne Strøm, og Peter Berck (2005): Economists' mathematical manual, Berlin.

Calculator Casio fx-82ES PLUS, Citizen SR-270x, SR-270X College eller HP 30S.

**Language:** English and Norwegian

**Number of pages:** 1(front page excluded)

**Number of pages enclosed:** 0

## BOKMÅL

### OPPGAVE

Diskuter hvorfor det kan være en fordel for arbeidere å lokalisere seg der hvor det er mange bedrifter, og en fordel for bedrifter å lokalisere seg der hvor det er mange arbeidere. Diskuter ved hjelp av en økonomisk modell hvordan dette (som i pensum omtales som "Labor market pooling") påvirker bedrifters og arbeideres lokaliseringsvalg.

## ENGLISH

### QUESTION

Discuss why there may be an advantage for workers to localize where there are many firms, and an advantage for firms to localize where there are many workers. Discuss how this (which is termed "Labor marker pooling" in the course readings) affects the localization choices of firms and workers.