

THAMMASAT UNIVERSITY
FACULTY OF ECONOMICS
FINAL EXAMINATION: 1/2018

EE460: THAI ECONOMY

Instructor: Prof. Bhanupong Nidhiprabha

December 9, 2018 13:00-16:00

Seat Number.....

ID number.....

Instructions:

This is an open-book exam with nine pages (including this page).

You are allowed to consult textbooks and lecture notes.

You are *not* allowed to bring dictionaries.

Answer only *six* questions from the total of eight.

Each question carries 10 points, totaling 60 points (60% of total class score)

Avoid unclear and verbose writing.

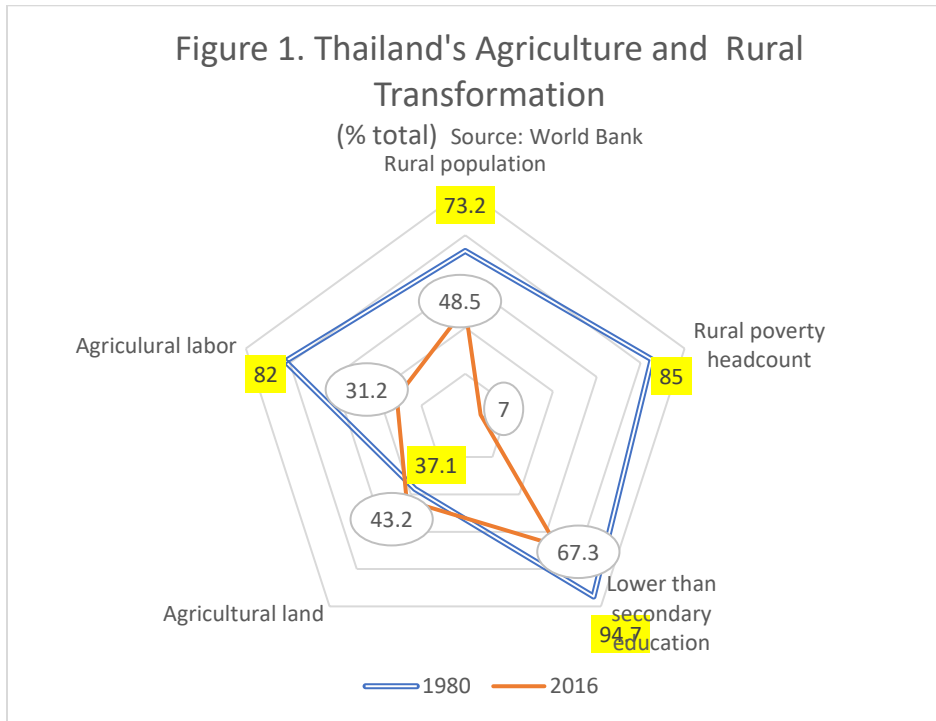
If you need extra space, you can write on the back page.

You should provide graphs and equations to strengthen your arguments.

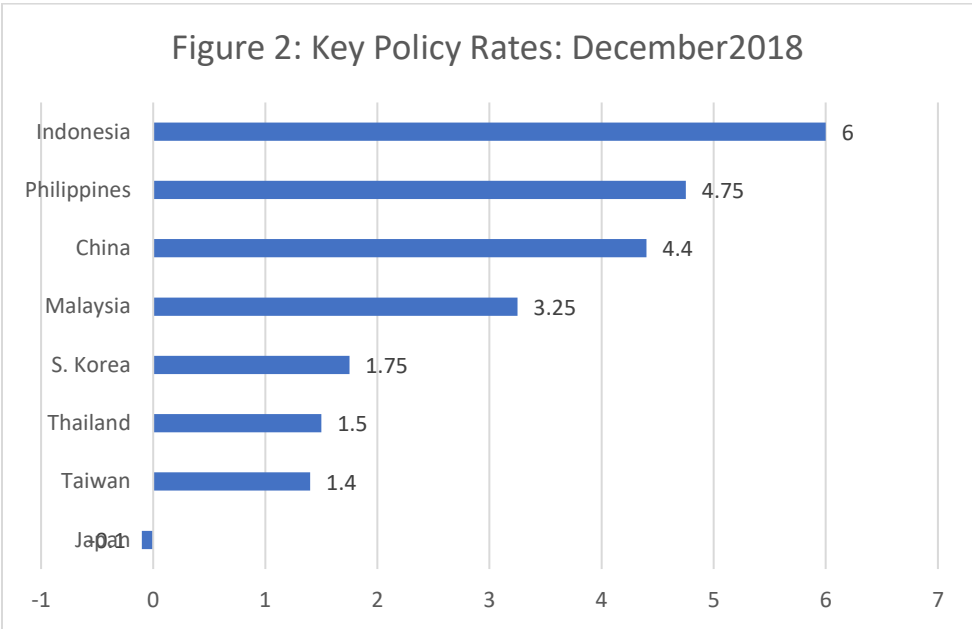
You are not allowed to consult with each other, including passing notes, and other materials.

If you are caught doing so, you will automatically get an “ F” for this course and be liable to all penalties as stated in the University Regulations.

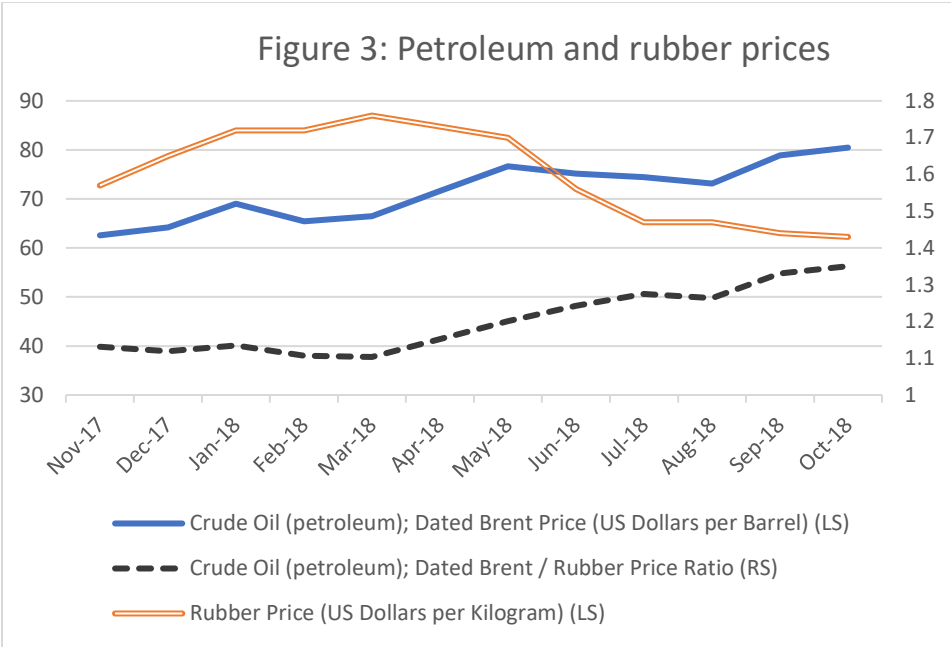
1. Explain the reason behind idiosyncrasies of Thailand's rural transformation, as shown in Figure 1.



2. The federal funds rate will be raised to three percent in 2019. Do you think that the Bank of Thailand 's move to normalize the key policy rate is too late and too little to cope with the changing external and internal economic environment?



3. How did the commodity prices changes (Figure 3) affect Thailand’s income inequality?



4. “The Finance Ministry plans to offer a value-added tax (VAT) refund to shoppers who spend up to 20,000 baht from February 1 to 15 next year to boost domestic spending during the Chinese New Year. The VAT refund will cost the government 7 billion baht, but it will help maintain next year’s GDP growth above 4 percent”. Evaluate this plan regarding its effectiveness, efficiency, and fiscal sustainability.

5. Explain why the Tom-Tom Traffic index is negatively related to the height of the building in Bangkok.

6. Explore the possibility that the trade war between China and the U.S. might be beneficial for Thailand.

7. Discuss why some of Thailand's industries are booming, why some are dying.

8. Critically examine *two* homework assignments of *your* classmates by pointing out room for improvement.