

Name _____

WHITWORTH UNIVERSITY
SCHOOL OF GLOBAL COMMERCE AND MANAGEMENT
GLOBAL FINANCIAL CRISIS SEMINAR
JAN. TERM 2009
FINAL EXAM
PROFESSOR HUTCHENS

Essays. Pick any three. Write your answers on separate sheets of paper, indicating for each answer which question you are responding to. To receive full credit, write a response that is reasonably specific and detailed (uses relevant names and terms) but that is also coherent for a non-specialist (provides a narrative, not just a list of names and terms).

- 1. Describe the differences between traditional mortgage lending and the variations that evolved and became more common in recent years and that are believed to be significant contributors to the current economic turmoil.**
- 2. In a presentation on how laws and regulations can be enforced, we heard about three general types or means of law enforcement. What are they? Give an example of how each might be used in response to a problem discussed in this course.**
- 3. How is the ongoing economic turmoil affecting (or does it appear likely to affect) higher education in general (both public and private) and Whitworth specifically?**
- 4. Under questioning from Congressman Waxman, former Fed. Chairman Alan Greenspan acknowledged, in a clip we watched in class, that he had been wrong about something. What? How does Greenspan's apparent error help us understand the cause(s) of the current economic turmoil? What does his apparent error suggest might be an appropriate response to avoid future problems of the same kind?**
- 5. Prior to passage of *Emergency Economic Stabilization Act of 2008*, the Fed, the Treasury and other regulators engaged in a series of specific measures and transactions to try to avert economic catastrophe. Some actions they took affected specific financial institutions. Others were regulatory adjustments. Name and briefly describe the specific actions, deals and**

measures taken to avert the catastrophe (besides the mentioned legislation or the forthcoming stimulus package).

6. Over time the TARP program changed in focus, and aspects of its implementation have been criticized. Explain.
7. The current economic turmoil has had different ramifications in different parts of the world. Describe how the causes, affects and responses have been different in China and Europe than in the United States.

Identify and briefly explain the relationship of each of the following to the subject of this course:

8. Iceland

9. Neel T. Kashkari

10. Timothy Geithner

11. Credit Default Swaps

12. Mortgage Backed Securities

13. TED Spread

14. TARP

15. Leverage

16. Liquidity Crisis

17. Mark to Market accounting

18. 10b-5

19. Fannie Mae/ Freddie Mac

20. Credit Rating Agencies

Extra Credit

1. Identify a new development that is prominently reported today in the mainstream business press that relates to the subject matter of this course (no single news item is the only acceptable response).

Agency	Head Under Bush	Head Under Obama
<i>Securities and Exchange Commission (SEC)</i>	2.	3.
<i>Federal Housing Finance Agency (FHFA)</i>	4.	5.

*Thank you for your participation in this class!
I hope you have enjoyed it and learned a lot. I know I did.
Please remember to fill out the online course evaluation.
Best wishes for the spring semester!*