

Extra Credit Assignment (up to 10% on top of final calculated grade)

Here are two opinion pieces by Paul Krugman from the New York Times. Both are related to the crisis in Greece and the Euro.

<http://www.nytimes.com/2010/02/15/opinion/15krugman.html>

<http://www.nytimes.com/2010/04/30/opinion/30krugman.html>

In both pieces Krugman claims that the adoption of the Euro is the source of the Greek difficulty, and in general was a bad idea.

For full extra credit, answer all of the following questions satisfactorily:

1. Briefly summarize the reasons Krugman gives in each article (2 to 3 sentences per article).
2. Determine whether the reasons Krugman gives in each article are consistent with one another (2 to 3 sentences).
3. Does Krugman acknowledge any potential benefits of adopting the Euro (e.g., reduction in transactions costs that leads to greater trade)? If so, state the benefits Krugman mentions (1 to 3 sentences).
4. For the reasons you identified as the core of Krugman's case against the Euro in your answer to Question 1, do any of the same reasons apply to the United States – which has a single currency? (1 to 2 sentences)
5. Does Krugman give any idea about the circumstances under which a group of countries should have a single currency? If so, what are these circumstances. (2 to 3 sentences)

DUE BY EMAIL TO econ136.sjsu@gmail.com by noon Friday, May 21.