International Trade Test Review

1. When is the district CRT (multiple choice) test for economics? May 10th
2. Specialization leads to _______. trade/international trade
3. If the dollar becomes stronger exports will _______. Decrease
4. List the two types of inflation? cost push and demand pull
5. If a country allows its currency’s value to be determined by supply and demand it is said to have a _____ exchange rate. flexible
6. Name the three top exporting countries in the world. China, U.S. and Germany
7. If supply decreases what will happen to price and quantity sold? price up quantity sold down
8. ________ is a tax placed on a foreign good. Tariff
9. List the four types of unemployment? cyclical, frictional, seasonal and structural/technical
10. If you wanted to know if the U.S. economy was producing more goods and services compared to last year which economic measurement would you want to look at? gross domestic product (GDP)
11. A good brought into another country for sale _______. import
12. _____ is a numerical limit on the number of items that can be imported into a country. quota
13. What are the two reasons for international trade? scarcity and economic gain
14. What group is responsible for monetary policy? Federal Reserve
15. The countries who use the Euro are all part of what trade agreement? European Union (EU)
16. This trade agreement was a successor to GATT. World Trade Organization (WTO)
17. If a tariff is increased which of the factors we studied will follow the trade barrier and therefore increase? price
18. _____ is the cost of the loss of the next most desirable item in a trade off. opportunity cost
19. What group is responsible for fiscal policy? U.S. government
20. A trade ______ occurs when a nation exports more than they import. surplus
21. List two expansionary fiscal policies? lower taxes and increase government spending
22. List the three countries which are part of NAFTA. U.S., Canada and Mexico
23. List two of three expansionary monetary policies? lower the reserve rate, lower the discount rate and buy government bonds
24. What type of policy would you use to fight inflation? contractionary
25. This economic measurement would be used to determine the rate of inflation in the U.S. consumer price index (CPI)
26. Expansion, peak, contraction and trough are the four phases of the _______. business cycle
27. If demand increases what will happen to price and quantity sold? both increase
28. As international trade increase countries will rely on each other more this is called __________, interdependence
29. How long does it take the federal government to make a budget? 18 months
30. A trade ______ occurs when a nation imports more than they export. deficit
31. In what Federal Reserve district would you find Arizona? 12
32. According to the law of comparative advantage a country should produce the product that has the lowest _______________. opportunity cost
33. If supply were to increase what will happen to price and quantity sold? price decrease quantity sold increase
34. By specializing in producing only certain products a country will be more _______. efficient
35. If demand were to decrease what will happen to price and quantity sold? both decrease
36. This term means a prohibition of trade. Can be complete, meaning all trade, or can be just certain products. Embargo
37. If the dollar becomes weaker U.S export will become ____ in foreign countries. cheaper
38. What country imports the most products per year? U.S.