

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. What are common actions by government to discourage global trade?

 2. How does balance of trade differ from balance of payments?

 3. A limit on the quantity of a product that may be imported or exported is _____.
 - a. an absolute advantage
 - b. a comparative advantage
 - c. a quota
 - d. a tariff

 4. True or False? _____ A country may have an absolute advantage because of its natural resources.

 5. An action to encourage trade is _____.
 - a. a quota
 - b. an economic community
 - c. a tariff
 - d. an embargo

 6. True or False? _____ A favorable balance of trade results from a country importing more than it exports.

 7. A commonly used trade barrier is _____.
 - a. an economic community
 - b. a tariff
 - c. a free-trade zone
 - d. a free-trade agreement

 8. If more money flows out of a country than flows in, the result is _____.
 - a. a lower foreign debt
 - b. an unfavorable balance of payments
 - c. a favorable balance of payments
 - d. a favorable balance of trade
-

TEAMWORK

Discuss in pairs or small groups and then write your conclusions below.

9. In your team, describe three specific actions a country might take to encourage international trade with nations in other regions of the world.