

Chapter 17 Section 1

Absolute and Comparative Advantage

According to your text, what is the key trade?

What is **specialization**?

Give an example of regional economic specialization in the US.

What are **exports**?

What are **imports**?

Why do countries trade?

What would happen if countries didn't trade?

What is **absolute advantage**?

What is **comparative advantage**?

Why might Columbia and the US both gain from trade with each other?

Chapter 17 Section 2

Barriers to International Trade

What is a tariff?

How do tariffs restrict trade?

What is a protective tariff?

What is a revenue tariff?

What is a quota?

Why did President Reagan impose a quota on Japanese automobiles?

What does the term **dumping** mean in international trade?

What other barriers may there be to trade?

Who are **protectionists**?

Who are **free traders**?

Explain the arguments for protection in each of the following cases:

National Defense	
Promoting Infant Industries	
Protecting Domestic Jobs	
Keeping the Money at Home	
Helping the Balance of Payments	

Why does the Free Trade Movement argue against protectionism?

What happened to the US during the Great Depression when they imposed tariffs on foreign goods?

