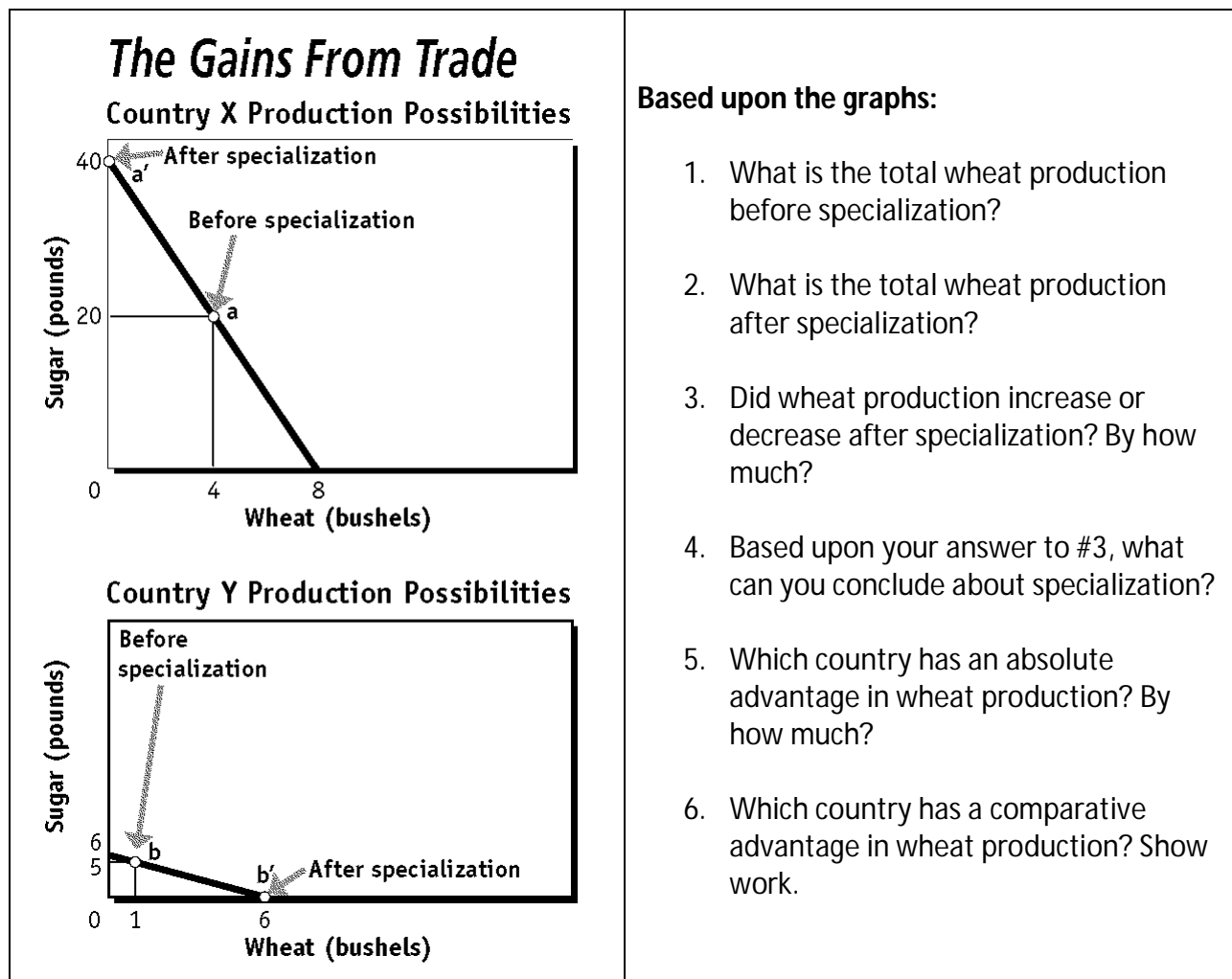


# Chapter 16 Review

	Country X	Country Y
Grapefruit	24/tons	15/tons
Olives	40/tons	30/tons

Explain your answer and show/compare both mathematic relationships

1. Which country has the comparative advantage in producing grapefruit?
2. Which country has the comparative advantage in producing olives?
3. Which country has the absolute advantage in producing olives?
4. Which country has the absolute advantage in producing grapefruit?



# Chapter 16 Review

- Smoot –Hawley Tariff Act (3 facts)
- Weak dollar (3 facts)-causes/imports/exports
- Strong Dollar (3 facts) causes/imports/exports
- absolute advantage (examples)
- comparative advantage (examples)
- Reasons for trade
- Reasons for trade restrictions

## Definitions & Applications

absolute advantage

balance of payments

comparative advantage

exports

foreign exchange

free traders

imports

infant industries

North American Free Trade Agreement \*

outsourcing

protectionists

protective tariff

quota

reciprocal trade agreements

revenue tariff

trade deficit

trade surplus

World Trade Organization (WTO)\*