**International Economics**

1. Define absolute advantage.
2. Define comparative advantage.
3. What is the difference between absolute and comparative advantage?
4. Why does most trade take place because of comparative advantage in the production of a good or service?
5. Define Balance of Trade.
6. Define Balance of Payments.
7. What makes up the capital account?
8. What makes up the current account?
9. How are Balance of Trade and Balance of Payments different?
10. What are trade barriers?
11. Define tariffs.
12. Define quotas.
13. Define embargo.
14. Define standards.
15. Define subsidies.
16. Who do trade barriers benefit?
17. Who is hurt by trade barriers?
18. Define trading bloc (free trade agreement).
19. What is NAFTA?
20. What is the EU?
21. What is ASEAN?
22. What is free trade?
23. What are arguments for free trade?
24. What are arguments against free trade?
25. Define exchange rate.
26. What are the effects of a strong currency? (Think imports, exports, traveling)
27. What are the effects of a weak currency? (Think imports, exports, traveling)