Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ #\_\_\_\_\_\_\_\_\_/35 Class: **1A**

**2.3: International Trade Institutions**

**2.01 Review Comparative v. Absolute Advantage**

|  |  |  |
| --- | --- | --- |
|  | Country A | Country B |
| Wheat | 200 tons | 50 tons |
| TV’s | 100 | 50 |

**Production Possibilities:**

Country \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ has an Absolute Advantage in production of both wheat & TV’s.

For every one tv Country A produces; their opportunity cost is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ tons of wheat.

For every one tv Country B produces; their opportunity cost is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ tons of wheat.

Based on this information who has the comparative advantage in tv production? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**2.02 Review: Fill in the blank with the best term possible.**

Embargo Import Quota Tariff Boycott Dumping

The United States promotes free trade on an International level except with a few countries such as Cuba. Their decision to ban commerce and trade with this country is a result of a(n) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that was put in place in 1960.

In an attempt to gain market share in the big screen television industry; China partnered with Walmart to sell big screen TV’s at a price that was lower than what it cost to manufacture and ship the product to the United States. China went from selling 50,000 sets in 2001 to 1.5 million in 2003. As a result of their \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ strategy; Five Rivers Innovations (a Tennessee-based television manufacturer), filed a grievance with the US government and a 23% tariff was imposed on big screen televisions being imported from China.

**2.03 Assignment**

The Department of Commerce provides multiple services to support American companies who wish to pursue International Trade. With your partner(s); choose one of the websites listed below.

**NC International Trade Division**  **NC World Trade Division Export.gov**

**Business Information Service for the Newly Independent States Platinum Key Service**

**Central & Eastern Europe Business Information Center Export America Magazine**

**Manufacturing and Services** **US Commercial Service**

Website: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<URL:______________________________________________________________________________________________>

**How user friendly is this website?** Poor Fair Average Good Excellent

Describe the purpose of this website so that a potential exporter could understand the purpose & value of the start.

1. Create a flyer/poster depicting the value of your website
2. Advertisement should educate a potential exporter on the support provided by the agency.

**Names: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**There is an ongoing dispute regarding indirect export subsidies with Boeing and Airbus in the commercial aircraft industry. The following YouTube clips serve as an introduction to the issue:**

<http://www.youtube.com/watch?v=zIn0aF6eTRA>

<http://www.youtube.com/watch?v=7QcUOPDTfTs>

<http://www.youtube.com/watch?v=Wy_exNIEuM4>

**You are to research both companies and the subsidies issue, and provide their viewpoint on this type of indirect export subsidies. You should address the following in a Power Point format:**

\_\_\_\_\_\_/10 Brief history of Boeing and Airbus

\_\_\_\_\_\_/5 Description of product lines of both

\_\_\_\_\_\_/5 Locations of operations of both

\_\_\_\_\_\_/15 Summary of dispute over indirect export subsidies

\_\_\_\_\_\_/15 Student viewpoint on dispute including justification (you are to take a position either for or against these subsidies, and argue your case)

Turn in your PowerPoint via Edmodo along with this worksheet.