**Unit 2.0 Test Study Guide**

**2.1: Comparative Advantage. 10 Multiple Choice & 1 Short Answer Question**

* **List & Give Examples of Global Factors of Production**
* **Understand that Absolute & Comparative advantages are economic theories**
* **Be able to define & identify absolute advantage for a country**
* **Be able to define & identify comparative advantage for a country**
* **Be able to define commodity & opportunity cost**
* **Be able to list & give an example of the three global factors of production**

**2.2: Trade Barriers. 11 Multiple Choice & 1 Short Answer Question**

* Be able to list and explain three different commercial policies used to limit imports.
* What does the Infant Industry Argument include?
* What does the National Security Argument include?
* Understand that rich countries are perceived to have an unfair advantage because of the comparative advantage they possess over other countries
* Be able to define tariff, import tax, export tax, Quota, Emargo, Boycott, & Voluntary Export Restraints
* Be able to define dumping.

**2.3: Government Support of International Trade. 13 Multiple Choice & 1 Short Answer Question.**

* Know the Support Services of the US Department of Commerce
* Understand Export.gov, what it provides, what it organizes, and how it can help business owners wishing to expand internationally
* What partner agency of the US Commercial Service has satellite offices near Asheville, Charlotte, & Kingston?
* What 5 countries does the state of North Carolina export the most items to?
* Why are international trade organizations considered controversial by countries, groups, & individuals?
* What protests have the WTO & WB encountered?

Important Trade Organization ACRONYMS. Be able to explain what each one does.

GATT: General Agreement on Trade & Tariffs

WTO: World Trade Organization

WB: World Bank

IMF: International Monetary Fund