

Activity 4

Assessment

1. Give examples of voluntary exchange in which you have engaged today.
2. Define and give two examples of imports and of exports in your country.
3. Explain how exports pay for imports.
4. Explain how a tariff on imports protects local manufacturers who produce similar items.
5. Explain how an import quota protects local manufacturers who produce similar items.
6. Who gains and who loses from international trade?
7. Who gains and who loses from protectionist policies that restrict trade?