

The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols. These symbols, including the dollar sign (\$), pound sterling (£), euro (€), and yen (¥), are rendered in a three-dimensional, embossed style, creating a textured effect. The symbols are scattered across the entire page, with a higher concentration in the vertical bars on the left and right sides.

# Economics Unit 2

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Notes

# Trade

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- A tariff is a tax on imported goods.
- Free Trade refers to convincing countries not to pass laws that block or limit trade.
- North American Free Trade Agreement, (NAFTA) eliminated all trade barriers among the U.S., Canada, and Mexico.
- A country has a trade deficit when the value of the products it imports exceeds the value of the products it exports.

# Trade

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- In the United States, only a small percentage of goods produced are exported, or sold to other countries.
- As opposed to imported goods which give Americans access to products they might not have otherwise been able to enjoy.
- In trade, many countries set up a quota, which is a limit placed on the amount of foreign goods imported.

# Trade & Money

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- The European Union (EU) allows for free movement of goods, services, and workers among 15 countries in Europe.
- Trade Deficit is when a country imports more than it exports.
- When a trade deficit happens, a country might see its currency lose value

# Trade & Money

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- The balance of trade is the difference between the value of a nation's exports and its imports.
- The exchange rate is the price of one nation's currency in terms of another nation's currency.
- Comparative Advantage is a country's ability to produce a good at a lower opportunity cost than another country can.

# Economic Health

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- GDP, Gross Domestic Product, is the measure of the economic output of a country.
- Per capita GDP expresses GDP in terms of each person in a country.

# Economic Systems

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- In a market economy, private citizens own the factors of production.
- A mixed economy is one that combines the basic elements of a pure market economy and a command economy.
- This is the type we have in the United States.

A vertical decorative bar on the left side of the slide, featuring a textured, golden-yellow background with various economic symbols and letters like 'D', 'I', '\$', 'Y', 'X', 'Z', 'A', 'B', 'C', 'E', 'F', 'G', 'H', 'K', 'L', 'M', 'N', 'O', 'P', 'Q', 'R', 'S', 'T', 'U', 'V', 'W', 'X', 'Y', 'Z' and '\$' scattered throughout.

# Economic Systems and Beliefs

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- “The way they have always been done.” would be a way to sum up the views of the economy in a traditional economy.
- A command economy is a system in which the major economic decisions are made by the central government.



A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), the pound sign (£), the yen sign (¥), and the Euro sign (€).

# Economic Systems and Beliefs

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- Socialism is the belief that the means of production should be owned by society, either directly or through the government.
- Communism is the belief in a classless, ungoverned society in which property would all be held in common.