International Economics questions Part II

Question

A country would justify erecting trade barriers, such as tariffs or quotas, to

a. make goods cheaper
b. expand their markets
c. protect domestic jobs
d. stimulate the economy

Question

A protective tariff is intended to protect the

a. consumer from higher prices on foreign goods.
b. consumer from higher priced goods produced within the country.
c. manufacturer from higher prices on materials produced within the country.
d. manufacturer or farmer from lower priced imported goods.

Question

All of these restrict international trade EXCEPT

a. quotas.
b. subsidies.
c. embargoes.
d. trade deficits.

Question

Which statement BEST reflects the difference between tariffs and quotas?

a. Tariffs raise prices on exports, while quotas set limits on imports.
b. Tariffs raise prices on imports, while quotas set limits on exports.
c. Tariffs raise prices on exports, while quotas set limits on exports.
d. Tariffs raise prices on imports, while quotas set limits on imports.

Question

If advisers to the French President recommend that France should place a limit on the number of American cars the French import, the likely result if such the advice were followed would be

a. France would increase its production of cars
b. The United States would stop selling to the French
c. The United States would increase production of cars
d. The United States would place a limit on the amount of French imports into the United States

Question

In 1999, the U.S. announced trade sanctions worth $116.8 million, targeting goods from France, Germany, Italy and Denmark. The sanctions were in retaliation for a ban on U.S. hormone-treated beef by

a. ASEAN.
b. the EU.
c. NAFTA.
d. the IMF.

Question

A supporter of free trade would support all of these actions EXCEPT

a. reducing quotas.
b. reducing tariffs.
c. imposing subsidies.
d. eliminating embargoes.

Question

An exchange rate is used to

a. promote the argument supporting free trade.
b. promote the use of subsidies on foreign goods.
c. determine the price of one country's imports in terms of another country's imports.
d. determine the price of one country's currency in terms of another country's currency.

Question

Shelby traveled to Mexico to a resort and took $100 in U.S. currency. When she exchanged it for pesos, she received

$1	**17.28 MXN**
1 MXN	**$0.06**

a. 60 pesos
b. 172.8 pesos
c. 6 pesos
d. 1728 pesos

Question

When a country moves from a free trade position and imposes a tariff on imports, this causes a/an

a. decrease in revenue to the government.
b. decrease in competition in the market and may cause prices to rise
c. decrease in the protections for domestic jobs
d. increase in the quantity of goods available in the market.

Question

A tariff is a tax placed on

a. imported goods that raises the domestic price above the world price.
b. imported goods that lowers the domestic price below the world price.
c. exported goods that lowers the domestic price below the world price.
d. exported goods that keeps the domestic price the same as the world price.

Question

Which of the following is an argument for restricting trade?
Trade restrictions

a. increase economic efficiency.
b. make all Americans better off.
c. are necessary for economic growth.
d. are sometimes necessary for national security.

Question

Year	Value of 1 euro in US dollars	Value of $1 in euros
2006	1.25	0.79
2007	1.42	0.70

Which currency appreciated in value from 2006 to 2007?

a. both
b. neither
c. the euro
d. the dollar

Question

Which of these choices is a likely effect of a weak dollar?

a. U.S. exports increase
b. Europeans stop investing in American business.
c. Travel abroad becomes more affordable for Americans.
d. Imports rise dramatically and become more affordable.

Question

A country would justify erecting trade barriers, such as tariffs or quotas, to

a. make goods cheaper
b. expand their markets
c. protect domestic jobs
d. stimulate the economy

Answer

A country would justify erecting trade barriers, such as tariffs or quotas, to

a. make goods cheaper
b. expand their markets
c. protect domestic jobs
d. stimulate the economy

Question

A protective tariff is intended to protect the

a. consumer from higher prices on foreign goods.
b. consumer from higher priced goods produced within the country.
c. manufacturer from higher prices on materials produced within the country.
d. manufacturer or farmer from lower priced imported goods.

Answer

A protective tariff is intended to protect the

a. consumer from higher prices on foreign goods.
b. consumer from higher priced goods produced within the country.
c. manufacturer from higher prices on materials produced within the country.
d. $\boxed{\text{manufacturer or farmer from lower priced imported goods.}}$

Question

All of these restrict international trade EXCEPT

a. quotas.
b. subsidies.
c. embargoes.
d. trade deficits.

Answer

All of these restrict international trade EXCEPT

a. quotas.
b. subsidies.
c. embargoes.
d. trade deficits.

Question

Which statement BEST reflects the difference between tariffs and quotas?

a. Tariffs raise prices on exports, while quotas set limits on imports.
b. Tariffs raise prices on imports, while quotas set limits on exports.
c. Tariffs raise prices on exports, while quotas set limits on exports.
d. Tariffs raise prices on imports, while quotas set limits on imports.

Answer

Which statement BEST reflects the difference between tariffs and quotas?

a. Tariffs raise prices on exports, while quotas set limits on imports.
b. Tariffs raise prices on imports, while quotas set limits on exports.
c. Tariffs raise prices on exports, while quotas set limits on exports.
d. Tariffs raise prices on imports, while quotas set limits on imports.

Question

If advisers to the French President recommend that France should place a limit on the number of American cars the French import, the likely result if such the advice were followed would be

a. France would increase its production of cars
b. The United States would stop selling to the French
c. The United States would increase production of cars
d. The United States would place a limit on the amount of French imports into the United States

Answer

If advisers to the French President recommend that France should place a limit on the number of American cars the French import, the likely result if such the advice were followed would be

a. France would increase its production of cars
b. The United States would stop selling to the French
c. The United States would increase production of cars
d. The United States would place a limit on the amount of French imports into the United States

Question

In 1999, the U.S. announced trade sanctions worth $116.8 million, targeting goods from France, Germany, Italy and Denmark. The sanctions were in retaliation for a ban on U.S. hormone-treated beef by

a. ASEAN.
b. the EU.
c. NAFTA.
d. the IMF.

Answer

In 1999, the U.S. announced trade sanctions worth $116.8 million, targeting goods from France, Germany, Italy and Denmark. The sanctions were in retaliation for a ban on U.S. hormone-treated beef by

a. ASEAN.
b. the EU.
c. NAFTA.
d. the IMF.

Question

A supporter of free trade would support all of these actions EXCEPT

a. reducing quotas.
b. reducing tariffs.
c. imposing subsidies.
d. eliminating embargoes.

Answer

A supporter of free trade would support all of these actions EXCEPT

a. reducing quotas.
b. reducing tariffs.
c. imposing subsidies.
d. eliminating embargoes.

Question

An exchange rate is used to

a. promote the argument supporting free trade.
b. promote the use of subsidies on foreign goods.
c. determine the price of one country's imports in terms of another country's imports.
d. determine the price of one country's currency in terms of another country's currency.

Answer

An exchange rate is used to

a. promote the argument supporting free trade.
b. promote the use of subsidies on foreign goods.
c. determine the price of one country's imports in terms of another country's imports.
d. determine the price of one country's currency in terms of another country's currency.

Question

Shelby traveled to Mexico to a resort and took $100 in U.S. currency. When she exchanged it for pesos, she received

$1	**17.28 MXN**
1 MXN	**$0.06**

a. 60 pesos
b. 172.8 pesos
c. 6 pesos
d. 1728 pesos

Answer

Shelby traveled to Mexico to a resort and took $100 in U.S. currency. When she exchanged it for pesos, she received

$1	**17.28 MXN**
1 MXN	**$0.06**

a. 60 pesos
b. 172.8 pesos
c. 6 pesos
d. 1728 pesos

Question

When a country moves from a free trade position and imposes a tariff on imports, this causes a/an

a. decrease in revenue to the government.
b. decrease in competition in the market and may cause prices to rise
c. decrease in the protections for domestic jobs
d. increase in the quantity of goods available in the market.

Answer

When a country moves from a free trade position and imposes a tariff on imports, this causes a/an

a. decrease in revenue to the government.
b. decrease in competition in the market and may cause prices to rise
c. decrease in the protections for domestic jobs
d. increase in the quantity of goods available in the market.

Question

A tariff is a tax placed on

a. imported goods that raises the domestic price above the world price.
b. imported goods that lowers the domestic price below the world price.
c. exported goods that lowers the domestic price below the world price.
d. exported goods that keeps the domestic price the same as the world price.

Answer

A tariff is a tax placed on

a. imported goods that raises the domestic price above the world price.
b. imported goods that lowers the domestic price below the world price.
c. exported goods that lowers the domestic price below the world price.
d. exported goods that keeps the domestic price the same as the world price.

Question

Which of the following is an argument for restricting trade?
Trade restrictions

a. increase economic efficiency.
b. make all Americans better off.
c. are necessary for economic growth.
d. are sometimes necessary for national security.

Answer

Which of the following is an argument for restricting trade?
Trade restrictions

a. increase economic efficiency.
b. make all Americans better off.
c. are necessary for economic growth.
d. are sometimes necessary for national security.

Question

Which currency appreciated in value from 2006 to 2007?

Year	Value of 1 euro in US dollars	Value of $1 in euros
2006	1.25	0.79
2007	1.42	0.70

a. both
b. neither
c. the euro
d. the dollar

Answer

Which currency appreciated in value from 2006 to 2007?

Year	Value of 1 euro in US dollars	Value of $1 in euros
2006	1.25	0.79
2007	1.42	0.70

a. both
b. neither
c. the euro
d. the dollar

Question

Which of these choices is a likely effect of a weak dollar?

a. U.S. exports increase
b. Europeans stop investing in American business.
c. Travel abroad becomes more affordable for Americans.
d. Imports rise dramatically and become more affordable.

Answer

Which of these choices is a likely effect of a weak dollar?

a. U.S. exports increase
b. Europeans stop investing in American business.
c. Travel abroad becomes more affordable for Americans.
d. Imports rise dramatically and become more affordable.