**International Vocabulary List**

1. Why do we trade?
2. Exports
3. Imports
4. Absolute Advantage
5. Comparative Advantage

|  |  |  |
| --- | --- | --- |
| countries | kites | Boats |
| France | 100 | 5 |
| Italy | 4 | 20 |

-who has the absolute advantage in boats/kites

-who has the comparative advantage in boats/kites

1. Gains from trade
2. Terms of trade
3. PPC to determine absolute and comparative advantage
4. Free traders
5. Protectionists
6. Barriers to trade
   1. Tariffs
   2. Quotas
   3. Embargos
   4. Standards
   5. Subsidies
7. Trading blocs
   1. NAFTA
   2. EU
   3. ASEAN
8. Trade balance
   1. Trade surplus
   2. Trade deficit
9. Balance of Payment
   1. Current accounts
   2. Capital accounts
   3. Debit
   4. Credit
10. Foreign Exchange rate
    1. Appreciation
    2. Depreciation
    3. Foreign Exchange Market