**Unit 4 International Economics Study Guide**

1. **What is the difference between absolute advantage and comparative advantage?**
2. **When would countries trade with one another?**
3. **Be able to calculate and determine comparative advantage between countries**
4. **Define- trade, trade surplus, and trade deficit.**
5. **Define the following trade barriers**
	1. **Tariffs**
	2. **Quotas**
	3. **Embargoes**
	4. **Standards**
	5. **Subsidies**
6. **Know the benefits and costs to each of the trade barriers, and why a country would use each one.**
7. **Describe the purpose of trading blocs such as EU, NAFTA, and ASEAN.**
8. **What are the benefits and cost of free trade?**
9. **Define exchange rates**
10. **Be able to define exchange rates in regards to appreciation and depreciation of currency.**
11. **Explain which groups win and which groups lose when exchange rates change.**
12. **Determine if a currency is weaker or stronger compared to another.**
13. **Be able to convert currencies in to other currencies. ( i.e. $500 USD= \_\_\_EU)**
14. **Be able to read and understand a currency conversion chart.**
15. **How do exchange rates impact imports and exports?**

**In addition to the study guide, make sure that you review all notes, classwork, LTA and videos on the blog for more review.**