

## **INTERNATIONAL TRADE (Ch 18; 18 Apx)**

### **A. WHY TRADE?**

1. Reasons for Trade
2. Advantages of Specialization

### **B. SPECIALIZATION AND COMPARATIVE ADVANTAGE**

1. Assumptions
2. Absolute and Comparative Advantage
3. Terms of Trade
4. D, S of Exports (X), Imports (M)
5. Increasing Costs

### **C. TRADE POLICIES**

1. Agreements
2. Aid to Displaced Workers
3. Trade Barriers

### **D. POLICY RESPONSES TO TRADE ISSUES [READING]**

### **E. US COMPARATIVE ADVANTAGES**