



Chapter 17: International Trade Opener

Prentice Hall

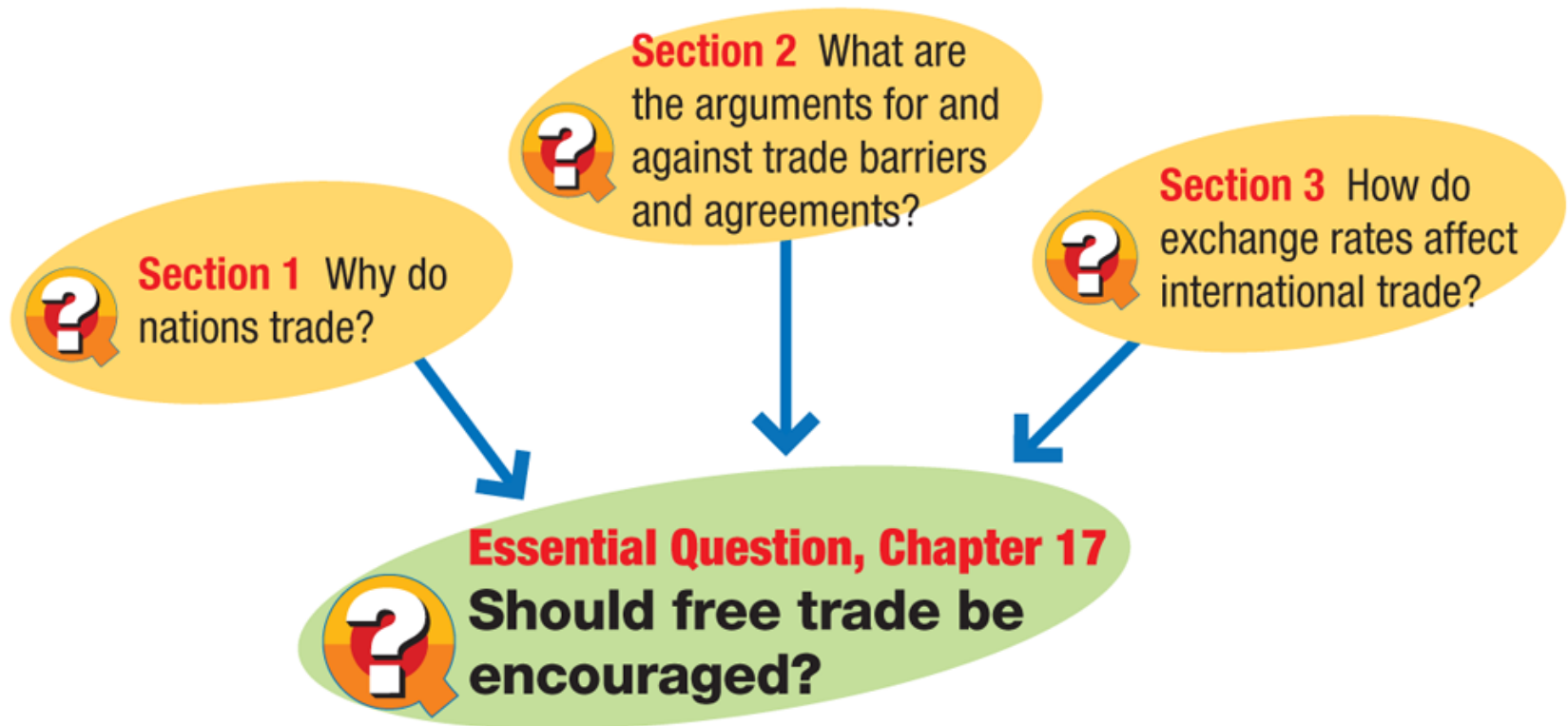
ECONOMICS

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Essential Question

- Should free trade be encouraged?



Guiding Questions

- Section 1: Absolute and Comparative Advantage
 - Why do nations trade?
 - Nations trade because they are not self-sufficient. They specialize in producing certain goods and services based on their resources and get goods and services that they cannot produce by trading with other nations.



Guiding Questions

- Section 2: Trade Barriers and Agreements
 - What are the arguments for and against trade barriers?
 - Supporters of trade barriers argue that they save jobs, protect infant industries, and safeguarding national security. Critics of trade barriers argue that free trade is the best way to pursue comparative advantage, raise living standards, and further cooperative relationships among nations.



Guiding Questions

- Section 3: Measuring Trade
 - How do exchange rates affect international trade?
 - As the U.S. dollar appreciates and depreciates, the amount of goods that the country imports and exports will fluctuate, affecting international trade.

