

10 Multiple choice questions



A+
100%

1. the idea that nations should specialise in the areas of production in which they have the lowest opportunity costs and trade, so that they maximise standard of living
 - a. **CORRECT: comparative advantage**
 - b. protection
 - c. dumping
 - d. free trade

2. situation in which a number of countries join together in a formal preferential trading agreement to the exclusion of other countries
 - a. free trade
 - b. **CORRECT: trade bloc**
 - c. protection
 - d. tariffs

3. government policies that give domestic producers an artificial advantage over foreign competitors, such as tariffs on imported goods
 - a. quotas
 - b. free trade
 - c. trade bloc
 - d. **CORRECT: protection**

4. agreements made between two countries only regarding the exchange of goods and services
 - a. **CORRECT: bilateral trade agreements**
 - b. trade bloc
 - c. free trade
 - d. comparative advantage

5. the cost of satisfying one want over another want
 - a. **CORRECT: opportunity cost**
 - b. tariffs
 - c. quotas
 - d. protection

6. the practice of exporting goods to a country at a price lower than their selling price in their country of origin
 - a. quotas
 - b. tariffs
 - c. **CORRECT: dumping**
 - d. subsidies

7. cash payments from the government to businesses to encourage production of a good or service
 - a. dumping
 - b. quotas
 - c. **CORRECT: subsidies**
 - d. tariffs

8. restrictions on the amounts or values of various kinds of goods that may be imported
 - a. **CORRECT: quotas**
 - b. dumping
 - c. tariffs
 - d. subsidies

9. a government-imposed tax on imported goods for the purpose of protecting Australian industries
 - a. **CORRECT: tariffs**
 - b. subsidies
 - c. dumping
 - d. quotas

10. where governments impose no artificial barriers to trade that restrict the free exchange of goods and services between countries
 - a. trade bloc
 - b. quotas
 - c. protection
 - d. **CORRECT: free trade**