

10 Multiple choice questions

1. the idea that nations should specialise in the areas of production in which they have the lowest opportunity cost and trade, so that they maximise standard of living
 - a. 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. 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. protection

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

5. the cost of satisfying one want over another want
 - a. 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. dumping
 - d. subsidies

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

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

9. a government-imposed tax on imported goods for the purpose of protecting Australian industries
 - a. 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. free trade