
Chapter 4 Global Analysis

Section 4.1 International Trade

Section Outline with Content and Academic Vocabulary

Section Outline

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Absolute Advantage

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Chapter 4 Global Analysis

Section 4.1 International Trade

Section Outline with Content and Academic Vocabulary *continued*

Content Vocabulary

international trade The exchange of goods and services among nations. (p. 85)

imports Goods and services purchased from other countries. (p. 85)

exports Goods and services sold to other countries. (p. 8)

balance of trade The difference in value between exports and imports of a nation. (p. 87)

free trade Commercial exchange between nations that is conducted on free market principles, without regulations. (p. 88)

tariff A tax on imports. (p. 88)

quota A limit on either the quantity or the monetary value of a product that may be imported. (p. 88)

embargo A total ban on specific goods coming into or leaving a country. (p. 89)

protectionism A government's establishment of economic policies that systematically restrict imports in order to protect domestic industries. (p. 89)

World Trade Organization (WTO) A global coalition of nations that makes the rules governing international trade. (p. 90)

North American Free Trade Agreement (NAFTA) An international trade agreement among the United States, Canada, and Mexico. (p. 90)

European Union Europe's trading bloc. (p. 90)

Academic Vocabulary

potential Expected to become or be; in prospect. (p. 85)

infrastructure The physical development of a country, such as roads, ports, and utilities. (p. 85)