

## Economics Review Questions part III

What has NAFTA done to Mexico's exports to the United States?

What is the difference between a tariff, an embargo, and a quota?

When does a country have an absolute advantage over another country?

When does a country have a comparative advantage over another country?

What is the purpose of a protective tariff?

Explain devaluation of a nation's currency do?

What types of things would indicate that a country is at a relatively low level of development?

What are the first three stages in a country's economic development?

Determine what dollarization means.

How is a society considered an affluent society?

How are the most developed countries characterized?

Why is China's experience so much corruption as it shifts to a mixed economy?

What do high standards of living depend on?

What is the main cause of China's economic growth?

Know the most important factor leading to the global economy.

Know characterizing of direct foreign investment.

Know what a multinational is.

Why is direct foreign investment in the United States high?

Describe what could happen if the U.S. economy falters.