Assignment 1.

ASIGNMENT MUST BE TYPED AND STAPLED
DUE DATE: TUESDAY, September 13th. At the beginning of the class.

Part 1 (5 points).
Answer the following questions from your book: Chapter 1, Question 2 (b, c) Question 4. Keep your answers short and to the point.

Part 2 (5 points). Go to Bureau of Census web page dedicated to international trade:

Using HIGHLIGHTS link, answer the following questions:
1. Is US experiencing trade deficit (Imports exceed exports) or trade surplus (Exports exceed imports). Show using numbers.
2. Does US have a surplus or deficit in Services? How much?

Using the Exhibit 15 link, answer the following question:
3. (2 points) From the CUMULATIVE column for 2005, pick a couple of examples that show deficits and surplus for a particular good. Do those examples suggest whether USA has an absolute or comparative advantage in their production?

Using Exhibit 14 link, answer the following question:
4. With which countries does USA have a trade surplus in 2005?