

23. International trade has the potential to:
- A. Increase the availability of goods and services to those nations that export more than they import.
 - B. Increase the availability of goods and services to those nations that are wealthy
 - ☒ C. Increase the availability of goods and services to all nations.
 - D. Decrease the availability of goods and services to all nations.
24. Comparative advantage in production of a good occurs:
- A. When a country can produce that good using fewer resources than could other countries.
 - B. When a country can produce that good at a greater opportunity cost than could other countries.
 - ☒ C. When a country can produce that good at a lower opportunity cost than could other countries.
 - D. When a country has a greater supply of natural resources required to produce that good, compared to other countries.
25. A tax imposed by a country on an imported good or service is called:
- A. Quota
 - ☒ B. Tariff
 - C. Non-tariff barrier to entry
 - D. Embargo
26. The purchase of U.S. goods and services by foreigners is called:
- A. Tariff
 - B. Imports
 - ☒ C. Exports
 - D. Quotas
27. A limit imposed by a country on the quantity of a good or service it will import is called a
- ☒ A. Quota
 - B. Tariff
 - C. Non-tariff barrier to entry
 - D. Embargo
28. The Ricardian model of international trade shows that trade between two countries makes both countries better off than they would be in autarky—that is, there are gains from trade.
- ☒ A. True
 - B. False
29. Autarky is:
- A. The situation when a country only trades with his allies.
 - B. The situation when a country only trades with two countries.
 - C. The situation when a country only trades with one country.
 - ☒ D. The situation when a country does not engage in trade with other countries.