

## Trade & Globalization Homework Questions

1. Under what conditions should countries engage in trade? Why?
2. What is more valuable to an economy, absolute or comparative advantages? Why?
3. Under what circumstances should countries raise barriers to trade?
4. How would you want your government to set its foreign currency exchange rate and why?
5. Are trade deficits always bad? Why or why not?
6. NAFTA was very controversial when it passed in 1992, why was it controversial and have those concerns come to pass?
7. Evaluate the role of the WTO? What are the pros and cons?
8. Should the government provide a safety net for all citizens? If so, what should it include and why? If not, why not?
9. Under what circumstances should a government privatize or nationalize an industry? Defend your response.
10. Why don't command economies work?
11. How should the United States interact (politically, economically) with states that don't have our political or economic freedom? Who don't observe human rights?
12. Should the United States care about the economies of developing nations? Why or why not?
13. What could the United States realistically do to assist developing nations economic development?
14. Should globalization be encouraged or discouraged? Why?