You should be able to...

...define each of the Key Terms at the end of chapters 1-8.

... present the arguments that lead to each of the Key Points at the end of chapters 1-8.

... list and discuss the reasons that trade arises, with emphasis on the sources of comparative advantage.

... state the assumptions of each of the three main models of international trade and when they apply: the Ricardian Model, the Specific-Factors Model, and the Heckscher-Ohlin Model.

... graphically present and discuss the consequences of opening up trade in each of the three main models and the consequences on relative prices, which good will be imported and which exported, the effect on real factor earnings (real wage, real rental on land and real rental on capital), and the overall effect on social welfare.

... graphically derive import demand and export supply curves from domestic demand and supply curves.

... graphically present and discuss the consequences of immigration and foreign direct investment in the short-run and long-run on real earnings of factors and social welfare.

... graphically present and discuss the consequences of international trade on monopolistically competitive (differentiated product price-searcher) industries and the consequences for imports and exports, average price, product variety, and social welfare.

... show, in consumer and producer surplus terms, the effect of moving from autarky to international trade in small country and large country models of purely competitive (homogeneous price-taker) industries.

... show, in consumer and producer surplus terms, the consequences of imposing tariffs and/or import quotas in small and large country models of purely competitive (homogeneous price-taker) industries.

... show, in consumer and producer surplus terms, the effect of moving from autarky to international trade when the home country is characterized by monopoly.

... show, in consumer and producer surplus terms, the consequences of imposing tariffs and/or import quotas when the home country is characterized by monopoly.