

Economics International Trade Drill Set 2

Create the appropriate graphs for the following problems.

1. The U.S. sells fewer movies and television programs to Asia. How will this impact the international value of the dollar?
2. Mexicans buy more Brazilian sugar. How will this impact the international value of the peso?
3. Mexicans buy more Brazilian sugar. How will this impact the international value of the real (Brazilian currency)?
4. Caterpillar (a U.S. firm) sells more construction equipment to Asia. Show what will happen to the international value of the dollar.
5. The U.S. begins to run a trade surplus with the world. Show how this impacts U.S. GDP.
6. Americans buy more Mexican vegetables. Show what will happen to the international value of the dollar.
7. Americans buy more Mexican vegetables. Show what will happen to the international value of the peso.
8. The U.S. runs a trade deficit with China. Show how this impacts U.S. net exports. Remember that the net exports number is included in GDP and a component of aggregate demand. Use an aggregate supply and demand curve graph to show the change in net exports.
9. Boeing (a U.S. firm) increases its export of 787 Dreamliners. What happens to the international value of the dollar?
10. South Korean airlines buy more 787 Dreamliners. What happens to the international value of the won (South Korean currency)?