

International Trade

Drill Set 2

Create the appropriate graphs for the following problems.

1. The U.S. begins to run a trade deficit with the Japan. Show what will happen to U.S. net exports.
2. Real interest rates fall in the U.S relative to the rest of the world. Show what will happen to the international value of the dollar.
3. In 2020, the U.S. grows more dependent on foreign oil. Show what will happen to the international value of the dollar and U.S. net exports.
4. The U.S. develops new farming technology and large amounts of machinery are exported to Asia, Africa, and South America. Show what will happen to the international value of the dollar.
5. Americans buy less Chinese goods. Show what will happen to the international value of the dollar.
6. Real interest rates rise in the U.S relative to the rest of the world. Show what will happen to the international value of the dollar.
7. The U.S. trade deficit with China decreases. Show what will happen to U.S. GDP.
8. The U.S. sells more computers around the world. How will this impact the international value of the dollar?
9. The U.S. sells more software programs to the world. How will this impact American net exports?
10. Foreigners are placing more money in American banks. What will happen in the American loanable funds market?