

Name: _____

Period: _____

Unit 45: Globalization + Money & Banking: Chapters 7, 10, 13, 17, 18
Vocabulary and Concepts

Vocabulary: Define the following terms.

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| 1. Absolute advantage | 11. Patent p. 189 |
| 2. Balance of trade (from notes) | 12. Predatory pricing |
| 3. Comparative advantage | 13. Quota |
| 4. Copyright (Copyright Act of 1976) pp. 189-190 | 14. Trade deficit |
| 5. Currency | 15. Trade surplus |
| 6. Embargo | |
| 7. Exports | |
| 8. Foreign exchange rate | |
| 9. Globalization | |
| 10. Imports | |

Global institutions that promote trade:

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| 16. WTO |
| 17. IMF |
| 18. World Bank |
| 19. United Nations |

Concepts: Read the prompts and provide the necessary responses.

Identify and define the four types of (beneficial) monopolies. (pp. 188-189)

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|---------------------|----|
| 1. Natural monopoly | 3. |
| 2. | 4. |

How do government patents and copyrights sometimes lead to monopolies? (p. 189)

How do a nation's absolute and comparative advantages influence its decisions about what to produce? (pp. 496-498)

What are the benefits (gains) of international trade? (p. 498-499)

1. Greater world output
- 2.
- 3.

What are the restrictions to international trade? (pp. 501-503)

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| 1. Tariffs | 4. |
| a. _____ | 5. |
| b. _____ | 6. |
| 2. Quotas | 7. |
| 3. | 8. |

What are the obstacles to (economic) development? (pp. 524-527)

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| 1. Population growth | 5. |
| 2. | 6. |
| 3. | 7. |
| 4. | 8. |

Identify and summarize the arguments in favor of protectionist trade policies. (pp. 503-505)

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| 1. Aiding national defense: | 4. |
| 2. | 5. |
| 3. | 6. |

Vocabulary: Define the following terms.

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|---------------------------------|-------------------------|
| 1. Bank run | 11. Hyperinflation |
| 2. Barter economy | 12. Inflation |
| 3. Cartel | 13. Interest rate |
| 4. Commodity money | 14. Loan |
| 5. Credit | 15. Monetary policy |
| 6. FDIC | 16. Monetary unit |
| 7. Federal Reserve notes | 17. Money market |
| 8. Federal Reserve System (Fed) | 18. Mortgage |
| 9. Fiat money | 19. Principal |
| 10. Gold standard | 20. Reserve requirement |