

International Economics: Theory and Policy, 12e, Global edition (Krugman)
Chapter 1 Introduction

1.1 What Is International Economics About?

1) Historians of economic thought often describe _____ written by _____ and published in _____ as the first real exposition of an economic model.

- A) "Of the Balance of Trade"; David Hume; 1776
- B) "Wealth of Nations"; David Hume; 1758
- C) "Wealth of Nations"; Adam Smith; 1758
- D) "Wealth of Nations"; Adam Smith; 1776
- E) "Of the Balance of Trade"; David Hume; 1758

Answer: E

Difficulty: Easy

AACSB: Application of knowledge

2) From 1960 to 2019

- A) the U.S. economy roughly tripled in size.
- B) U.S. imports roughly tripled in size.
- C) the share of U.S. trade in the global economy roughly tripled in size compared with the economy as a whole.
- D) U.S. imports roughly tripled as compared to U.S. exports.
- E) U.S. exports roughly tripled in size.

Answer: C

Difficulty: Easy

AACSB: Application of knowledge

3) From 1960 to 2019, both U.S. imports and exports have increased, _____ have grown more, leading to a large excess of _____.

- A) imports; imports over exports
- B) exports; exports over imports
- C) imports; exports over imports
- D) exports; imports over exports

Answer: A

Difficulty: Easy

AACSB: Application of knowledge

4) The facts that U.S. imports and exports plunged in 2009 during the global economic crisis and in 2020 during the Covid-19 pandemic demonstrated the close links between

- A) world trade and the overall state of the world economy.
- B) crisis and unemployment.
- C) the pandemic and shortage of goods and services.
- D) the business cycle and trade policies.

Answer: A

Difficulty: Easy

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