

Unit 4 Vocabulary

You need a description, sentence, and image for each of the vocabulary words.

1. **Exports:** goods or services sent to another country for sale
2. **Imports:** goods or services brought into a country from a foreign for sale
3. **Absolute Advantage:** the ability of an individual or group to carry out a particular economic activity more efficiently than another individual or group.
4. **Comparative Advantage:** the ability of an individual or group to carry out a particular economic activity (such as making a specific product) more efficiently than another activity
5. **Tariff:** tax imposed by a government on imported goods
6. **Quota:** maximum limit imposed by the government on goods allowed to be imported into a country
7. **North American Free Trade Agreement (NAFTA):** three country treaty between Canada, Mexico, and the US for limited trade barriers
8. **Exchange Rate:** The price of one country's currency expressed in terms of another's
9. **Free Trade:** international trade left to its natural course without tariffs, quotas, or other restrictions.
10. **World Trade Organization (WTO):** organization established to provide a forum for trade negotiations
11. **Trade Deficit:** The amount by which the value of imports exceeds the value of exports in a given time period
12. **Trade Surplus:** the amount by which the value of a country's exports exceeds the cost of its imports
13. **Embargo:** an official ban on trade or other commercial activity with a particular country
14. **European Union (EU):** association of European countries to achieve political and economic alliances
15. **Association of Southeast Asian Nations (ASEAN):** organization of countries in southeast Asia set up to promote cultural, economic, and political development
16. **Trade Barriers:** measures that governments or public authorities introduce to make imported goods or services less competitive than locally produced goods and services