Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**International Trade Policies & the Economy Quiz**

1. \_\_\_\_\_Prior to World War II, most countries in the world practiced which of the following trade policies?
   1. Protectionism
   2. Isolationism
   3. Globalization
   4. Free Trade Policy
2. \_\_\_\_\_Which of the following countries is the largest trading partner with the US?
   1. Mexico
   2. China
   3. Canada
   4. Japan
3. \_\_\_\_\_Which of the following is not a part of constructing international trade policy?
   1. Isolationism
   2. Protectionism
   3. Strategic Trade Policy
   4. Free Trade Policy
4. \_\_\_\_\_ Which of the following is a special tax on imported goods?
   1. Tariff
   2. Subsidies
   3. Trade Agreement
   4. Deficit
5. \_\_\_\_\_Protectionism trade policy was a significant factor in which of the following US historical events?
   1. The American Revolution
   2. The Civil War
   3. The Great Depression
   4. The 2008 government “Bailout”
6. \_\_\_\_\_Which of the following countries has the most regulated international trade policy?
   1. China
   2. Venezuela
   3. Cuba
   4. North Korea
7. \_\_\_\_\_Which of the following is NOT a benefit of free international trade?
   1. Benefits local farmers and small businesses
   2. Opens up markets to a greater diversity of products
   3. Creates more competition for businesses
   4. Decreases labor costs for big business
8. \_\_\_\_\_GATT was a trade agreement that preceded which international trade agreement?
   1. The European Union
   2. World Trade Organization
   3. North American Free Trade Agreement
   4. The United Nations
9. \_\_\_\_\_Which of the following was not considered a basic objective of the GATT?
   1. Countries could not discriminate against one another in trade matters
   2. Countries would work to eliminate all tariffs and regulatory barriers
   3. Countries would work together to resolve trade conflicts
   4. Countries could impose trade sanctions for political violations
10. \_\_\_\_\_NAFTA was established under which US President?
    1. George H. W. Bush
    2. Bill Clinton
    3. George W. Bush
    4. Barack Obama
11. \_\_\_\_\_The International Labor Organization is a part of which international organization?
    1. The European Union
    2. The World Trade Organization
    3. The United Nations
    4. North American Free Trade Agreement
12. \_\_\_\_\_Which of the following best defines the term globalization?
    1. Technological advances that have easily connected countries around the world
    2. A worldwide economy created by the integration and interdependence of national economies
    3. A mutual reliance in which actions in nations reverberate and affect the economic well-being of people in other nations
    4. An economic policy which shields an economy from imports
13. \_\_\_\_\_Why do businesses in the US outsource the production of goods to foreign countries?
    1. Businesses receive tax breaks from the federal government
    2. Labor is cheaper in some countries
    3. Production quality is better in some countries
    4. It is a requirement for members of the World Trade Organization
14. \_\_\_\_\_Which act was created by the US Congress to impose tariffs on Communist countries?
    1. The Trade Act of 1974
    2. The Smoot-Hawley Tariff Act
    3. The Revenue Act of 1964
    4. Permanent Normal Trade Relations Act
15. \_\_\_\_\_Which of the following is not considered a key industry of trade for the US?
    1. Aerospace
    2. Computers
    3. Healthcare
    4. Biotechnology
16. \_\_\_\_\_Which of the following best describes the term balance of trade?
    1. A trade agreement between two countries
    2. Trade among countries is equally beneficial for all of the countries involved
    3. Countries are only allowed to import the same value of goods that they export
    4. The value of a country’s exports equals the country’s imports
17. \_\_\_\_\_Which of the following is best defined as the policy that decreases the costs of bringing products to markets throughout the world by lowering or eliminating tariffs and deregulating?
    1. Free trade policy
    2. Monetary Policy
    3. Protectionist trade policy
    4. Regulatory policy
18. \_\_\_\_\_Which of the following best defines fiscal policy?
    1. Tax breaks or any kind of financial support that encourages behaviors the government deems beneficial to the public good
    2. A worldwide economy created by the integration and interdependence of national economies
    3. The deliberate use of the national government’s taxing and spending policies to maintain economic stability
    4. An economic policy which shields an economy from imports
19. \_\_\_\_\_Which of the following is best defined as the dollar value of all final goods and services produced in a one-year period?
    1. Gross public debt
    2. Consumer price index
    3. Balance of trade
    4. Gross domestic product
20. \_\_\_\_\_Which of the following government institutions has the greatest impact of the economy?
    1. Council of Economic Advisors
    2. Federal Reserve Board
    3. Senate Economic Committee
    4. Office of Management and Budget