A. As You Read
As you read Section 1, answer the following questions about international trade in the spaces provided.

1. What resources are major influences on a country’s or region’s economy? ________________
   ________________

2. Why do countries differ in their capacities to produce different goods and services?
   ________________

3. Why do specializing nations need world trade? ________________
   ________________

4. Why does trade benefit both countries with abundance and countries with few resources?
   ________________

5. How do nations benefit from producing goods and services they have a comparative advantage in supplying?
   ________________

6. How can international specialization affect some workers? ________________
   ________________

7. What possibilities do laid-off workers face? ________________
   ________________

B. Reviewing Key Terms
Briefly define or identify each of the following.

8. absolute advantage __________________________

9. export __________________________

10. import __________________________

11. comparative advantage __________________________