



UNIT 8

FUTHER PRACTICE

1. Find words in the text to match with the following meanings

1. A person who has come to a different country in order to live there permanently _____
2. The activity of buying and selling, or exchanging, goods and/or services between people or countries _____
3. A place or event at which people meet in order to buy and sell things _____
4. Involving more than one country _____
5. To send goods to another country for sale _____

2. Circle the best answer among A, B, C, D

1. International trade is the exchange of _____ across international borders or territories.
A. capital, good, service
B. capital, goods, services
C. capitals, goods, services
D. capitals, good, services
2. The full form of GDP is _____
A. Gross Domestic Product
B. Gross Domestic Production
C. Gross Domestic Produce
D. None of them is correct.
3. Trading globally gives consumers and country the opportunity to be exposed to new _____
A. market and product
B. market and good
C. markets and products
D. markets and goods
4. Imports and exports are accounted for in a country's current in the _____
A. BOPs
B. balance of payments
C. balance of payment
D. A & B are right.
5. International trade is also a branch of _____
A. economic B. economical C. economics D. economy

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3. Complete sentence/ paragraph with word from the box below

comparative/ competition/consumer/ economies of scale/ employed
foreign/imports/ infant/ opportunity/ structural/ specialization/

International trade brings a number of valuable benefits to a country, including:

The exploitation of a country's (1) _____ advantage, which means that trade encourages a country to specialise in producing only those goods and services which it can produce more effectively and efficiently, and at the lowest (2) _____ cost. Producing a narrow range of goods and services for the domestic and export market means that a country can produce in at higher volumes, which provides further cost benefits in terms of (3) _____

Trade increases (4) _____ and lowers world prices, which provides benefits to consumers by raising the purchasing power of their own income, and leads a rise in (5) _____ surplus. Trade also breaks down domestic monopolies, which face competition from more efficient (6) _____ firms. Trade is also likely to increase employment, given that employment is closely related to production. Trade means that more will be (7) _____ in the export sector and, through the multiplier process, more jobs will be created across the whole economy.

However, despite the benefits, trade can also bring some disadvantages, including: Trade can lead to over-(8) _____, with workers at risk of losing their jobs should world demand fall or when goods for domestic consumption can be produced more cheaply abroad. Jobs lost through such changes cause severe (9) _____ unemployment.

Certain industries do not get a chance to grow because they face competition from more established foreign firms, such as new (10) _____ industries which may find it difficult to establish themselves. Local producers, who may supply a unique product tailored to meet the needs of the domestic market, may suffer because cheaper (11) _____ may destroy their market.