



# 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.