

1. What is comparative advantage and how is it important for trade issues?
2. “If businesspeople ruled the world, there would be no need for a World Trade Organization.” Correct? Why?
3. What is the “optimal tariff argument” and what is meant by “terms of trade”?
4. “Tariffs are individually irrational and collectively sub-optimal.” Correct? Why?
5. Explain what might be meant by “multilateralism of reciprocity”.
6. Free trade improves overall national welfare, but domestically there are winners and losers. Correct? Explain.
7. Producer interests are more concentrated, organized, and vocal than consumer (and labor(?)) interests. Correct? What results from such a constellation?
8. Weak states seek rules-based, authoritative international regimes. Why?
9. What are the ITO and the GATT? What is their history and how do they differ in terms of basic institutional form?
10. What affect did GATT structures have on developing countries?
11. Why and how did the GATT transform into the WTO?
12. Two key principles underlying the WTO? (p.28)