

Practice

International trade

Task №1

Consider the following small country case:

- Domestic market equilibrium price – \$60, quantity – 3000.
- World price – \$30, quantity of demand – 5000, quantity of local production – 1000.
- Tariff – \$5.

- 1) What is price after tariff charging?
- 2) What was import before tariff charging?
- 3) What is import after tariff charging?
- 4) What is producer surplus increasing?
- 5) What is tariff revenue?
- 6) What are deadweight losses?

Task №2

Consider the following small country case:

- Domestic market equilibrium price – \$100, quantity – 2000.
- World price – \$50, quantity of demand – 3000, quantity of local production – 800.
- Tariff – 20%.

- 1) What is price after tariff charging?
- 2) What was import before tariff charging?
- 3) What is import after tariff charging?
- 4) What is producer surplus increasing?
- 5) What is tariff revenue?
- 6) What are deadweight losses?

Task №3

Consider the following small country case:

- Domestic market equilibrium price – \$80, quantity – 5000.
- World price – \$50, quantity of demand – 7000, quantity of local production – 2000.
- Tariff – \$10.

- 1) What is price after tariff charging?
- 2) What was import before tariff charging?
- 3) What is import after tariff charging?
- 4) What is producer surplus increasing?
- 5) What is tariff revenue?
- 6) What are deadweight losses?

Task №4

Consider the following small country case:

- Domestic market equilibrium price – \$100, quantity – 700.
- World price – \$80, quantity of demand – 1000, quantity of local production – 300.
- Tariff – 10%.

- 1) What is price after tariff charging?
- 2) What was import before tariff charging?
- 3) What is import after tariff charging?
- 4) What is producer surplus increasing?
- 5) What is tariff revenue?
- 6) What are deadweight losses?

Task №5

Consider the following small country case:

- Domestic market equilibrium price – \$50, quantity – 3000.
- World price – \$30, quantity of demand – 4500, quantity of local production – 1200.
- Tariff – 20%.

- 1) What is price after tariff charging?
- 2) What was import before tariff charging?
- 3) What is import after tariff charging?
- 4) What is producer surplus increasing?
- 5) What is tariff revenue?
- 6) What are deadweight losses?

Task №6

Consider the following small country case:

- Domestic market equilibrium price – \$100, quantity – 7000.
- World price – \$60, quantity of demand – 10000, quantity of local production – 2500.
- Quota – 3000.

- 1) What is price after quota charging?
- 2) What was import before quota charging?
- 3) What is import after quota charging?
- 4) What is producer surplus increasing?
- 5) What is importer surplus?
- 6) What are deadweight losses?

Task №7

Consider the following small country case:

- Domestic market equilibrium price – \$100, quantity – 1200.
- World price – \$50, quantity of demand – 2000, quantity of local production – 300.
- Quota – 600.

- 1) What is price after quota charging?
- 2) What was import before quota charging?
- 3) What is import after quota charging?
- 4) What is producer surplus increasing?
- 5) What is importer surplus?
- 6) What are deadweight losses?

Task №8

Consider the following small country case:

- Domestic market equilibrium price – \$100, quantity – 3000.
- World price – \$50, quantity of demand – 4000, quantity of local production – 1000.
- Quota – 1250.

- 1) What is price after quota charging?
- 2) What was import before quota charging?
- 3) What is import after quota charging?
- 4) What is producer surplus increasing?
- 5) What is importer surplus?
- 6) What are deadweight losses?

Task №9

Consider the following small country case:

- Domestic market equilibrium price – \$60, quantity – 1000.
- World price – \$30, quantity of demand – 1500, quantity of local production – 300.
- Subsidy – \$10.

- 1) What is price after subsidy charging?
- 2) What was import before subsidy charging?
- 3) What is import after subsidy charging?
- 4) What is producer surplus increasing?
- 5) What are deadweight losses?

Task №10

Consider the following small country case:

- Domestic market equilibrium price – \$45, quantity – 7000.
- World price – \$30, quantity of demand – 10000, quantity of local production – 3000.
- Subsidy – \$10.

- 1) What is price after subsidy charging?
- 2) What was import before subsidy charging?
- 3) What is import after subsidy charging?
- 4) What is producer surplus increasing?
- 5) What are deadweight losses?

Task №11

Consider the following small country case:

- Domestic market equilibrium price – \$60, quantity – 800.
- World price – \$45, quantity of demand – 1000, quantity of local production – 300.
- Subsidy – \$10.

- 1) What is price after subsidy charging?
- 2) What was import before subsidy charging?
- 3) What is import after subsidy charging?
- 4) What is producer surplus increasing?
- 5) What are deadweight losses?