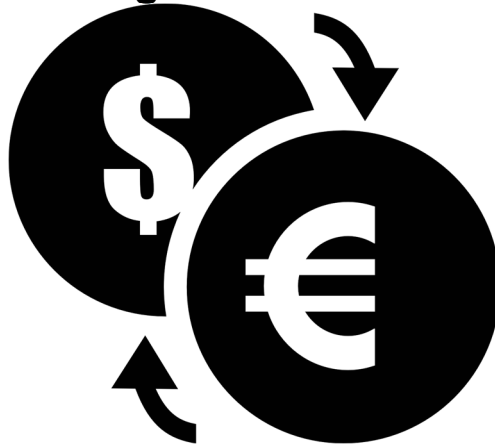


Exchange Rates and Trade



Objective: We will analyze the effects of changes in exchange rates on imports and exports, as well as how trade relates to growth using student notes.

Exchange Rates

What is a foreign exchange market?

What is an exchange rate?

What factors influence exchange rates?

- 1.
- 2.
- 3.
- 4.
- 5.

What are fixed exchange rates?

What is another name for a fixed exchange rate?

What are floating exchange rates?

What are managed floating exchange rates?

Trade

What are imports and exports?

How do exchange rates affect imports?
Provide an example.

How do exchange rates affect exports?
Provide an example.