1. Immiserizing growth is most likely to occur if
   a. growth is concentrated in a country’s import sector.
   b. growth is balanced across exports and imports.
   c. growth is concentrated in goods with high world demand elasticity.
   d. the country experiencing growth is small.
   e. growth is concentrated in a country’s export sector.

2. Growth concentrated in a large country’s import sector will lead to
   a. an increase in world supply of its imports, and thus an improvement in its terms of trade.
   b. an increase in world supply of its imports, and thus a deterioration in its terms of trade.
   c. an increase in world demand for its imports, and thus an improvement in its terms of trade.
   d. an increase in world demand for its imports, and thus a deterioration in its terms of trade.
   e. no change in the country’s terms of trade.

3. If a country experiences an improvement in technology
   a. indifference curves shift outwards.
   b. indifference curves shift inwards.
   c. the production possibilities frontier shifts outwards.
   d. the production possibilities frontier becomes bowed inwards.
   e. the production possibilities frontier shifts inwards.

4. If the relative world price of food is lower than country A’s autarky price, in A
   a. trade will lead to no change in food production.
   b. trade will lead to increased food production.
   c. trade will lead to decreased food production.
   d. there will be no gains from trade.
   e. trade will lead to the country exporting food.

5. The imposition of an optimum tariff by a large nation
   a. improves its terms of trade.
   b. reduces the volume of trade.
   c. increases the nation’s welfare.
   d. all of the above.
   e. none of the above
6. A small country that cannot affect world prices
   a. may experience immizerising growth.
   b. may gain from making a transfer abroad.
   c. will experience welfare losses from a policy of import protection.
   d. can only affect world demand and not world supply for goods.
   e. none of the above

7. A tariff on an imported good in a small country raises prices of the imported good to
   a. producers of the good but not consumers.
   b. consumers of the good but not producers.
   c. foreign producers of the good.
   d. foreign consumers of the good.
   e. both domestic consumers and producers of the good.

8. Intra industry trade refers to a situation where
   a. a country exports all goods
   b. a country imports all goods
   c. a country is both an importer and an exporter of the same good
   d. a country does not produce all goods but imports all goods
   e. none of the above.

9. Which of these results in an increase in sale for the monopolistic competitive firm?
   a. a small increase in the price set by the firm.
   b. an increase in the number of firms.
   c. an increase in the size of the total demand.
   d. a drop in the price charged by the competition.
   e. all of the above.

10. Export-biased growth in Country H will
    a. improve the terms of trade of Country H.
    b. trigger anti-bias regulations of the WTO.
    c. worsen the terms of trade of Country F (the trade partner).
    d. improve the terms of trade of Country F.
    e. necessarily decrease economic welfare in Country H.