Refer to the information provided in Table 34.1 below to answer the questions that follow.

<table>
<thead>
<tr>
<th>Mexico</th>
<th>Guatemala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oranges bushel/acre</td>
<td>Oranges bushel/acre</td>
</tr>
<tr>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>160</td>
<td>40</td>
</tr>
<tr>
<td>120</td>
<td>80</td>
</tr>
<tr>
<td>80</td>
<td>120</td>
</tr>
<tr>
<td>40</td>
<td>160</td>
</tr>
<tr>
<td>0</td>
<td>200</td>
</tr>
</tbody>
</table>

1) Refer to Table 34.1. In Mexico, the opportunity cost of 1 bushel of bananas is
A) 1/2 bushel of oranges.  B) 1 bushel of oranges.  C) 2 bushel of oranges.  D) 5 bushels of oranges.

2) Refer to Table 34.1. In Guatemala, the opportunity cost of 1 bushel of oranges is
A) 1/2 bushel of bananas.  B) 1 bushel of bananas.  C) 2 bushel of bananas.  D) 4 bushels of bananas.

3) Refer to Table 34.1. Guatemala has

4) Refer to Table 34.1. Mexico has
A) a comparative advantage but not an absolute advantage in orange production.  B) an absolute advantage and a comparative advantage in banana production.  C) an absolute advantage and a comparative advantage in orange production.  D) a comparative advantage but not an absolute advantage in banana production.
Refer to the information provided in Figure 34.1 below to answer the questions that follow.

5) Refer to Figure 34.1. The opportunity cost of producing a bushel of alfalfa in Canada is
   A) half a bushel of soybeans.  
   B) 1 bushel of soybeans.  
   C) 2 bushels of soybeans.  
   D) zero.  

6) Refer to Figure 34.1. The opportunity cost of producing a bushel of soybeans in the United States is
   A) half a bushel of alfalfa.  
   B) 1 bushel of alfalfa.  
   C) 2 bushels of alfalfa.  
   D) 300 bushels of alfalfa.  

7) Refer to Figure 34.1. Which of the following statements is true?
   A) The United States has a comparative advantage in the production of both soybeans and alfalfa, but an absolute advantage only in the production of soybeans.
   B) The United States has an absolute advantage in the production of soybeans and alfalfa, but a comparative advantage only in the production of alfalfa.
   C) The United States has both an absolute advantage and a comparative advantage in the production of soybeans and alfalfa.
   D) The United States has an absolute advantage in the production of soybeans and alfalfa, but a comparative advantage only in the production of soybeans.

8) The Heckscher-Ohlin theorem looks to ________ to explain trade flows.
   A) the existence of trade barriers
   B) relative factor endowments
   C) acquired comparative advantage
   D) the differences in preferences among consumers
Refer to the information provided in Figure 34.4 below to answer the questions that follow.

![Diagram of supply and demand for leather wallets](image)

**Figure 34.4**

9) Refer to Figure 34.4. The domestic price of a leather wallet is $20. With free trade the price of a leather wallet is $10 and after a tariff is imposed the price is $15. If there is free trade, this country will import ________ leather wallets.
   A) 50  
   B) 100  
   C) 200  
   D) 300

10) Refer to Figure 34.4. The domestic price of a leather wallet is $20. With free trade the price of a leather wallet is $10 and after a tariff is imposed the price is $15. After the tariff is imposed, this country will import ________ leather wallets.
   A) 50  
   B) 100  
   C) 150  
   D) 200

11) Refer to Figure 34.4. The domestic price of a leather wallet is $20. With free trade the price of a leather wallet is $10 and after a tariff is imposed the price is $15. After the tariff is imposed, tariff revenue in this country will be
   A) $50.  
   B) $250.  
   C) $500.  
   D) $750.

Refer to the information provided in Figure 34.5 below to answer the questions that follow.

![Diagram of supply and demand for oil](image)

**Figure 34.5**

12) Refer to Figure 34.5. The domestic price of oil is $130 per barrel. If the world price of oil is $135 per barrel, this country will
   A) import 9 million barrels.  
   B) import 23 million barrels.  
   C) export 5 million barrels.  
   D) export 14 million barrels.
13) Refer to Figure 34.5. The domestic price of oil is $130 per barrel. This country imports 14 million barrels if the world price of oil is $\$______$.
   A) 120  B) 125  C) 135  D) 140

14) The value of the dollar relative to the euro would increase if
   A) the demand for dollars decreases and the supply of euros increases.
   B) the demand for dollars increases and the supply of euros increases.
   C) the supply of dollars increases and the demand for euros increases.
   D) the supply of dollars increases and the demand for euros decreases.

15) A decrease in the supply of dollars and a decrease in the demand for Japanese yen
    A) increases the value of the yen.
    B) increases the yen price of dollars.
    C) does not change the exchange rate between dollars and yen.
    D) increases the value of the dollar.