

## Midterm Study Guide

This is a list of terms, concepts, and events that may show up on the “Identification” portion of the exam. You should be able to define the ID and discuss its significance to the course. Answers should be 1-2 paragraphs in length.

### Week 1

GDP and per capita GDP  
Economic growth  
Arbitrage  
Home-country bias  
Law of One Price  
Tariff  
Non-tariff barrier  
Voluntary Export Restraint  
Protectionism  
Autarky  
Opportunity costs  
Specialization  
Consumption indifference curves  
“Tit-for-tat”  
Comparative advantage  
Consumer/Producer Surplus  
Nondiscrimination  
Heckscher-Ohlin Theorem  
Factors of production  
Factor intensity  
Marginal rate of substitution  
World Trade Organization (WTO)  
Most Favored Nation  
Stolper-Samuelson Theorem  
Production possibilities frontier (PPF)  
Dispute Settlement Mechanism

### Week 2

Exchange rate  
FOREX market  
Floating exchange-rate regime  
Appreciation  
Fixed exchange-rate regime  
Depreciation  
Most-Favored-Nation clause

Balance of payments deficit  
Balance of payments surplus  
Speculative attacks  
Exchange-rate politics  
International capital mobility  
Exchange-rate electoral cycle  
Eli Whitney  
Mercantilism  
Short-staple cotton  
Francis Cabot Lowell  
Navigation Acts  
Napoleonic Wars, 1793-1814  
Alexander Hamilton  
Democrats (Party of Southern cotton)  
Massachusetts Textile Industry  
Antebellum tariffs  
Repeal of the Corn Laws  
English Landed Aristocracy  
Prime Minister William Peel  
Anti-Corn Law League

### Week 3

Commodity Price Convergence  
Convergence (catching-up)  
“Wizard of Oz” allegory  
Hundred Years' Peace  
Infant-industry protection  
Pax Britannica  
Cobden-Chevalier Treaty of 1860  
Telegraph  
The Gold Standard  
Ocean shipping  
Railroads  
Great Depression of 1873-1896

Irish Potato Famine  
William Jennings Bryan  
“Price-specie-flow” mechanism  
Nathan Mayer Rothschild  
Mass production  
International division of labor  
Areas of recent settlement  
Productivity (Y/L)  
Friedrich List  
Paris International Exhibition of 1900  
2nd Industrial Revolution

#### **Week 4**

Staple Theory  
Economic theory of imperialism  
Settlement Economies  
Progressive crops  
“Site-specific” foreign investments  
Scramble for Africa  
Reactionary crops  
Extension of the franchise  
“Poor Institutions”  
Economies of scale  
Enclave Economies  
Path Dependence  
King Leopold  
Settler colonialism  
Soil and climatic conditions  
Plantation Economies  
Social Infrastructure  
Colonial sugar economies  
Conquest Economies  
Divergence puzzles  
Meiji Revolution of 1868