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

**Week 3**
- 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
- 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