

Unit 7/8  
Modern Perspectives/ International Trade

McConnell and Brue (15<sup>th</sup>) Chapters 16 through 19, 6, 37, 38

What to cover:

- Short Run Phillips Curve/ Long Run Phillips Curve
- Stagflation/ Disinflation
- Supply Side/Neo-Classical
- Labor Productivity
- MV = PQ (Monetarists) (NOT Monetary Policy)
- Rational Expectations School (Basics)
- Export and Import Trends
- Trade Surpluses, Deficits
- Absolute Advantage
- Comparative Advantage, Terms of Trade
- Comparative Advantage Graphing
- Tariffs/ Non-Tariff Barriers (NTB)
- Dumping
- Balance of Payments
- Current Accounts, Financial/Capital Accounts
- Official Reserves
- Fixed and Floating Exchange Rates
- Purchasing Power Parity
- Currency Values and Exchanges
- Dollarization
- Remittances

Items not found on prior macro exams:

- Analysis of Rational Expectations School
- Budget Surplus Analysis
- Real Business Cycle
- Trade Equilibrium Price Graphs
- Developing Countries (DVCs) Analysis

Graphs for the Chart:

- Phillips Curve
- Agg Model and Phillips Curve Link
- Dollar Value (Supply and Demand) Chart
- Foreign Currency Value (Supply and Demand) Chart