

## Exercise 2 202115012张滢洁

### 1.Border effect 边际效应:

A discontinuity that exists in prices or in quantities of trade at the border between countries. If the price of a good is higher on one side of a border than the other, this is a border effect. If a gravity equation includes a significant dummy for trade across a border, that also indicates a border effect.

### 2.Gravity model 贸易引力模型:

A model of bilateral trade flows similar to the law of gravity in physics:  $T_{ij} = A Y_i Y_j / D_{ij}$ , where  $T_{ij}$  is exports from country  $i$  to country  $j$ ,  $Y_i Y_j$  are their national incomes,  $D_{ij}$  is the distance between them, and  $A$  is a constant. Other constants as exponents and other variables are often included. Due independently to [Origin]

### 3.Gravity equation 引力方程:

An estimated equation of the gravity model.

### 4.Absolute advantage 绝对优势:

The ability to produce a good at lower cost, in terms of real resources, than another country. In a Ricardian model, cost is in terms of labor only. Absolute advantage is neither necessary nor sufficient for a country to export a good. See comparative advantage.

### 5.Comparative advantage 相对优势:

The ability to produce a good at lower cost, relative to other goods, compared to another country. In a Ricardian model, comparison is of unit labor requirements; more generally it is of relative autarky prices. With perfect competition and undistorted markets, countries tend to export goods in which they have comparative advantage. See also absolute advantage. Due to Ricardo (1815). [Origin]

### 6.Derived demand 派生需求:

Demand that arises or is defined indirectly from some other demand or underlying behavior; e.g., demand for foreign currency is derived from demand for foreign goods, bonds, etc., while demand for import of a homogeneous good is derived from domestic demand and supply.

### 7.Gains from trade 贸易所得:

The net benefits that countries experience as a result of lowering import tariffs and otherwise liberalizing trade.

### 8.General equilibrium analysis 一般均衡分析:

Equality of supply and demand in all markets of an economy simultaneously. The number of markets does not have to be large. The simplest Ricardian model has markets only for two goods and one factor, labor, but is a general equilibrium model.

### 9.Non-traded goods 非贸易商品:

A good that is not traded, either because it cannot be or because trade barriers are too high. Except when services are being distinguished from goods, they are often mentioned as examples of non-traded goods. Or at least they were until it became common to speak of trade in services.

### 10. Opportunity cost 机会成本:

The cost of something in terms of opportunity foregone. The opportunity cost to a country of producing a unit more of a good, such as for export or to replace an import, is the quantity of some other good that could have been produced instead with the same resources.

**11. Partial equilibrium analysis 局部均衡分析:**

Equilibrium in only a subset of an economy's markets – usually just one – taking variables, usually prices, from other markets as given. Partial equilibrium models are appropriate for products that make up only a very small part of the economy. They are used routinely (not always appropriately) for analysis of trade policies in single industries. Contrasts with general equilibrium.

**12. Pauper labor argument 贫民劳动论:**

The view that a country loses by importing from another country that has low wages, as that will reduce wages at home. This ignores that low wages are due to low productivity, and that the high-wage country, with high productivity, will have comparative advantage in some products and will gain from trade.

**13. Production possibility frontier 生产可能性边界:**

A diagram showing the maximum output possible of one good for various outputs of another or several others), given technology. and factor endowments. The PPF is also called a transformation curve or production possibility curve.

**14. Relative demand curve 相对需求曲线:**

The ratio of the demand for one good to the demand for another, most useful in representing general equilibrium in a two-good economy, where relative price adjusts to equate relative supply and relative demand.

**15. Relative supply curve 相对供给曲线:**

The ratio of the supply of one good to the supply of another, most useful in representing general equilibrium in a two-good economy, where relative price adjusts to equate relative supply and relative demand.

**16. Ricardian model 李嘉图模型:**

The classic model of international trade introduced by David Ricardo to explain the pattern of trade and the gains from trade in terms of comparative advantage. It assumes perfect competition and a single factor of production, labor, with constant requirements of labor per unit of output that differ across countries.

**17. Unit labor requirement 单位必要劳动量:**

The amount of labor per unit of output; the ratio of labor to output; thus the reciprocal of labor productivity. In a H-O Model this varies along an isoquant. In a Ricardian model, they are constant, defining comparative advantage and determining behavior.