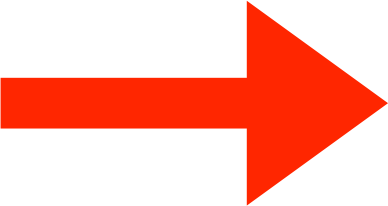


1

2

What determines Exports?

American goods are more
expensive than foreign goods:
Foreigners buy **less** U.S. goods



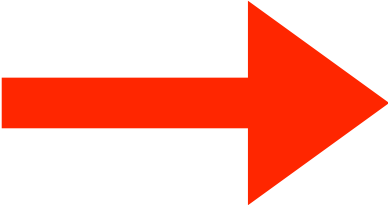
U.S. Exports decrease

U.S. Exports increase

2. U.S. Prices relative to foreign prices

U.S. Prices **rise** relative
to prices abroad

American goods are cheaper
than foreign goods: Foreigners
buy **more** U.S. goods

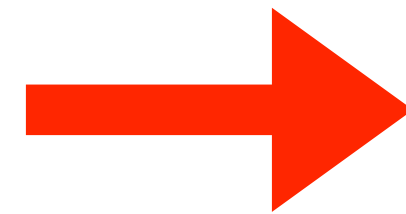


U.S. Prices **fall** relative
to prices abroad

What determines Exports?

2. U.S. Prices relative to foreign prices

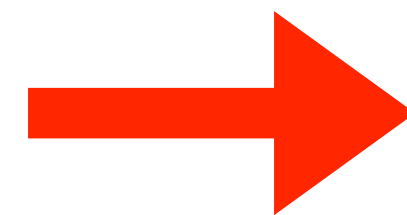
U.S. Prices **rise** relative to prices abroad



American goods are more expensive than foreign goods: Foreigners buy **less** U.S. goods

U.S. Exports **decrease**

U.S. Prices **fall** relative to prices abroad



American goods are cheaper than foreign goods: Foreigners buy **more** U.S. goods

U.S. Exports **increase**

