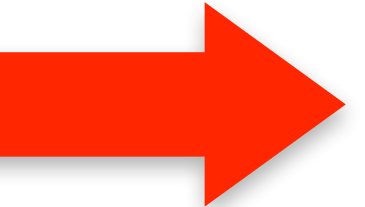


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What determines Imports?


2. The Exchange Rate: the Value of the U.S. dollar
relative to a foreign currency

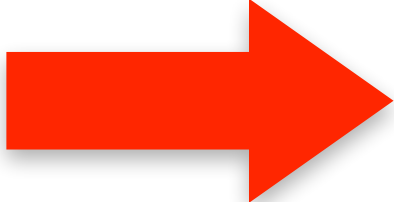
Weaker U.S. Dollar  U.S. Imports decrease

Stronger U.S. dollar ➡ U.S. Imports increase

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Components of Aggregate Demand