Description

International trade can have big effects on domestic markets. For both an import good and an export good (in other words, address each bulleted item below twice—once for import and once for export), describe how opening up to international trade affects the following: supply or demand for the particular good, the competitiveness of that good’s market, and how the change in competitiveness affects equilibrium price and quantity. Stepping away from the import/export examples, describe how opening up to trade specifically affects a domestic monopoly. Include an explanation, using game theory, of how even a single additional competitor can lead to a market outcome similar to perfect competition. Your essay must be at least three pages in length (not counting the title and references pages) and include at least three peer-reviewed resources. Adhere to APA Style when writing your essay, including citations and references for sources used. Be sure to include an introduction. Please note that no abstract is needed.