

Similarities between international trade and internal trade

1. Both trade involve exchange, buying and selling of goods and services
2. The two forms of trade require transportation , insurance , advertising
And warehouse
3. Both trade occur due to inequitable distribution of natural resources and production
4. Currencies are used in both trade

Advantages of international trade

1. Expansion of market
2. Increase in quantity and variety of goods
3. Encourages competition
4. Increase in technical know how and gain ideas
5. Equitable redistribution of natural resources
6. Increase in the standard of living
7. Exchange of product
8. It leads to specialization
9. Enjoyment of products
10. It create employment opportunity

Disadvantages of international trade

1. Overdependence of countries
2. Over production of goods which will discourage producers because of the lower price received from import
3. It leads to exploitation of poor countries
4. It leads to importation of harmful drugs
5. It is injurious to a country's culture
6. It leads to dumping of goods
7. It encourages dependency

Reasons for the imposition of tariff

1. Protect infant industries
2. Source of revenue
3. Discourages dumping
4. To prevent the importation of dangerous goods
5. To protect and preserve culture

Tools used in controlling international trade

1. Tariff: is also known as import duties they are taxes imposed on goods coming into a country
2. Import quota : it specifies the quantity of goods that can come in from different countries
3. Import License : this is the authority to import specified goods given to an importer by the government of a country

4. Preferential duties: discriminate goods are charged on certain goods in order to encourage and discourage the importation power of importer
5. Devaluation : when a country's currency value is reduced, imports will cost more thereby encouraging export
6. Importation embargo: this is the total ban of importation of certain goods, which is a straight forward way of restriction or protection