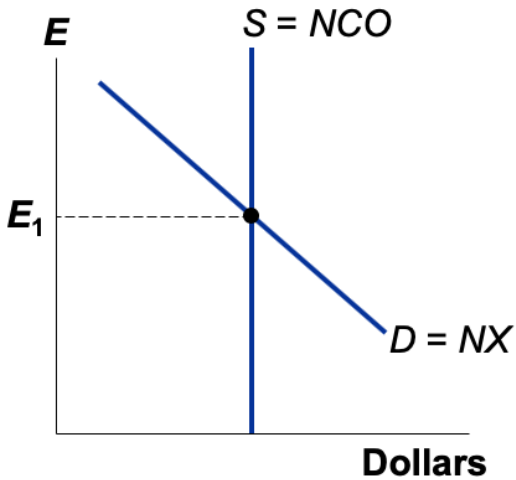


13th week: In-class Learning Activity

1. Use the following model to analyze the effects of an import quota on cars from Japan designed to save jobs in the U.S. auto industry.



2. In 1994 Political instability in Mexico made world financial markets nervous. People worried about the safety of Mexican assets they owned. People sold many of these assets, pulled their capital out of Mexico. Analyze this using our model, but from the perspective of Mexico, not the U.S.

