

Exports and Imports

The goods and services sold to other countries are known as (1)_____. An export is represented by a flow of money coming into the country. Goods and services bought from other countries are known as (2)_____. An import represents flow of money leaving the country. All exports which can be seen, touched or weighed such as oil, machinery etc. are termed as (3)_____ exports. All imports which can be seen, touched or weighted are known as visible (4)_____. (5)_____ measures the difference between value of visible exports and visible imports. If the visible imports is more than the visible exports then there is (6)_____ balance of trade. A (7)_____ balance of trade is when the visible exports is more than the visible imports.

(8)_____ trade involves the exchange of services such as insurance, banking and tourism which cannot be seen or touched. Paying for a foreign holiday is an example of (9)_____ whereas if a person invests in a foreign country and earns income from there is an example of (10)_____.

The balance of (11)_____ shows all the payments and receipts between one country and all the other countries it trades.

Balance of trade exports favourable imports imports Invisible invisible
exports invisible imports payments unfavourable visible

Key

Exports and Imports

The goods and services sold to other countries are known as exports. An export is represented by a flow of money coming into the country. Goods and services bought from other countries are known as imports. An import represents flow of money leaving the country. All exports which can be seen, touched or weighed such as oil, machinery etc. are termed as visible exports. All imports which can be seen, touched or weighted are known as visible imports. Balance of trade measures the difference between value of visible exports and visible imports. If the visible imports are more than the visible exports then there is unfavourable balance of trade. A favourable balance of trade is when the visible exports are more than the visible imports.

Invisible trade involves the exchange of services such as insurance, banking and tourism which cannot be seen or touched. Paying for a foreign holiday is an example of invisible imports whereas if a person invests in a foreign country and earns income from there is an example of invisible exports.

The balance of payments shows all the payments and receipts between one country and all the other countries it trades.