

## Glossary

### Chapter 14

<b>absolute advantage</b>	the ability of a party (nation, region, or individual) to produce more of a good or service while using the same amount of inputs (p. 284)
<b>comparative advantage</b>	occurs when a person or a country can produce a good or service at a lower opportunity cost than others (p. 284)
<b>consumer surplus</b>	the difference between what the consumer is willing and able to pay and what the consumer actually pays for a quantity of a good or service (p. 287)
<b>import quota</b>	a legal limit on the imported quantity of a good that is produced abroad and can be sold in domestic markets (p. 293)
<b>producer surplus</b>	the difference between the lowest price at which a supplier is willing and able to supply a good or service and the actual price received for a given quantity of a good or service (p. 287)
<b>rent seeking</b>	producer efforts to gain profits from government protections such as tariffs and import quotas (p. 294)
<b>subsidy</b>	a program of financial assistance paid out to producers (p. 294)
<b>tariff</b>	a tax on imported goods (p. 290)