

Exporting by states in the united states

[Business](#)



Exporting by s in the United s Q Top 5 products exported from Ohio Civil
Aircraft, Engines, and parts Pass VEH_SPK INT RCPR ENG> 3000cc
Soybeans, Nesoi

Pass VEH SPK_IG INT COM RCPR ENG> 1500 NOV

Spark_IGNTN RECPRCTING PISTON ENGINE, > 10 (U. S. Census Bureau 1)
Q 2

Classical Theory

Theory of free trade explains that an international trade is a factor of demand and supply forces in the market. A lower labor cost ensures effective communication across the countries. A cheaper wage in an industry results in a low production cost that in turn may make a country to produce a surplus. A firm has a responsibility to search for the market of its commodities in order to earn revenue. To achieve a state of equilibrium and balance of trade, a firm that produces products that its local market cannot consume all has to sell such commodities elsewhere across the borders (Sen 1).

Dispose of a surplus

A state sells its products that are beyond what her population can consume. Ohio can expose its goods and services across borders in those countries, which do not manufacture such supplies.

Maintain a high employment level

A state of Ohio has a mandate to employ its citizen in the labor market. Export trade creates job opportunities, and that contributes positively to expansion in GDP of a state. An increase in a country's GDP results in an increased per capita income hence a general improvement in the welfare of the citizens.

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Source of Foreign Exchange Earner

Ohio would formulate favorable foreign policies to attract foreign currency. A country may export its products to those countries with competitive prices. The State of Ohio would focus on those states, which offer highest prices for same products.

Q 3

A cost of production and forces of demand in the local market

Commodities with relatively favorable returns in the local market need no export. Goods have different cost of production and attract different revenue, therefore if export trade is not profitable, it is null and void strategy for a firm. Some countries prohibit importation of certain commodities thus can only trade locally

Works Cited

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