

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

We will be meeting during my office hours on Thursday. Come by around 4:00 to discuss this homework assignment and the material you are reading.

This assignment covers chapters 12 and 13 until page 441.

- 1) (20 points) What are the advantages and disadvantages to the country that is receiving money in the form of portfolio foreign investments, i.e., what are the advantages and disadvantages of selling stocks and bonds to foreigners?
- 2) (20 points) What are the advantages and disadvantages of receiving FDI?
- 3) (20 points) How are multi-nationals good for the world economy? How are they bad?
- 4) (20 points) What are the good and bad points for the world, about labor migration.
- 5) (5 points each) For each part, show the double entry bookkeeping entries for the transaction. For each part, give a one sentence explanation of what you did. For each part, assume you are an American and that we are doing the accounting from the view of the USA.
 - A) You buy an Egyptian cotton towel worth \$15.
 - B) A Japanese student pays tuition at Bethany of \$20,000.
 - C) The American government gives the Afghan government \$10M worth of equipment.
 - D) You buy stock in Toyota.