Solutions

2.1

- The price of one currency in terms of another currency.

2.2

- A tax on imported goods.

2.3

- Imported materials become more expensive.
- This raises production costs or may force the firm to raise its price.

3.1

- Imported wood may cost less in the stronger home currency.
- Tables may cost more for foreign customers.
- This could reduce overseas demand or export sales.

3.2

- Find a reliable domestic or alternative overseas wood supplier.
- The quota may limit imported wood and create shortages or higher prices.
- A different source protects production from the restricted supply.
- The firm should compare quality and cost before changing suppliers.