

Chapter 11

ECO 2013

Core Principles

Principle of Comparative Advantage - the chapter uses this principle to discuss the efficiency of financial intermediaries in information gathering and bringing savers and borrowers together in the market.

Important Concepts

- Financial intermediaries
- Bonds and stocks
- Coupon payments and rate
- Mutual fund
- Dividend
- Capital inflows and outflows
- International capital flows
- Trade balance