I. Definitions. Provide a brief definition or explanation of each of the following terms. Each definition is worth 5 points each.

A. $\sigma$- Convergence
B. Factor intensity versus factor abundance
C. Unconditional convergence
D. Inequality

This part is worth 20 points total.

1. What is the Stolper-Samuelson theorem and what does it imply about the effect of reduced trade barriers on the factor-price ratios of trading partners? How can the theorem be used to create a hypothesis about trade liberalization or transport cost reductions and $\sigma$- Convergence?

2. Did real wages convergence across the Greater Atlantic economy in the late nineteenth century?

3. Did land rents converge internationally?

4. Did land rents move in absolute terms, as predicted by Heckscher and Ohlin?

5. Was there relative factor price (i.e. wage/rental ratio) convergence?