

Problem In recent years, the United States and Japan have engaged in intense negotiations regarding restrictions on trade between the two countries. One of the claims made repeatedly by U.S. officials is that many Japanese manufacturers price their goods higher in Japan than in the United States, in effect subsidizing low prices in the United States by extremely high prices in Japan. According to the U.S. argument, Japan accomplishes this by keeping competitive U.S. goods from reaching the Japanese marketplace.

An economist decided to test the hypothesis that higher retail prices are being charged for Japanese automobiles in Japan than in the United States. She obtained independent random samples of 50 retail sales in the United States and 30 retail sales in Japan over the same time period and for the same model of automobile, converted the Japanese sales prices from yen to dollars using current conversion rates. The data, saved in The AUTOSTUDY file, are listed in Table 9.1.



AUTOSTUDY

TABLE 9.1 Automobile Retail Prices (thousands of dollars)

USA Sales:	18.2	16.2	17.2	18.7	18.4	16.6	14.9	16.8	12.1	10.8
	18.5	15.5	16.2	16.3	18.2	19.5	13.2	16.8	12.9	17.2
	18.2	16.3	16.8	16.4	18.6	15.6	17.1	18.1	18.9	19.0
	17.3	18.8	14.9	16.7	20.3	17.1	14.6	17.2	13.0	18.4
	16.9	13.3	16.3	15.9	16.6	17.6	16.0	17.1	14.6	18.0
Japan Sales:	18.5	14.0	18.2	21.1	13.9	18.7	14.9	16.4	16.3	18.0
	16.8	19.8	17.3	16.6	14.9	16.3	16.5	15.4	17.6	20.1
	16.4	18.0	17.5	18.4	19.8	14.8	18.2	16.7	20.2	16.2