

# Guided Reading

**networks**

## International Trade and Economic Systems

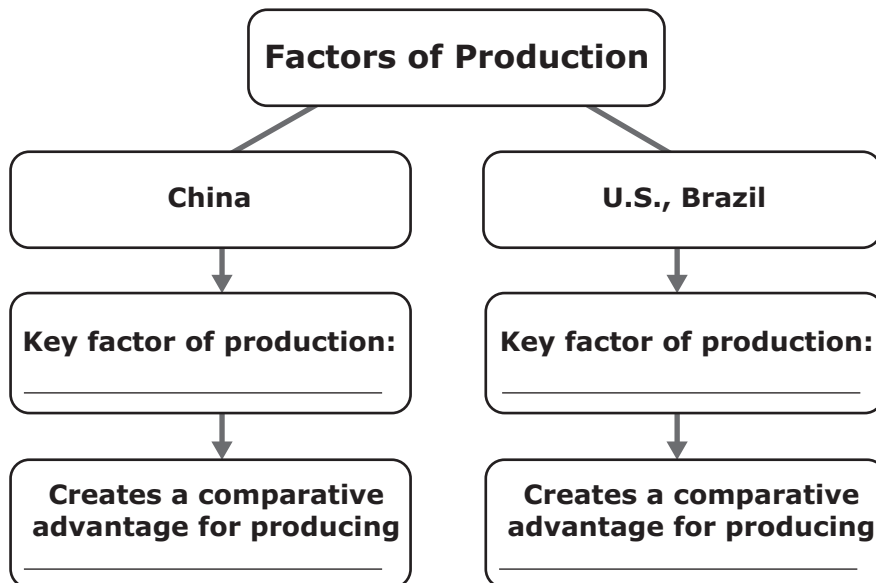
### Lesson 1 *Why and How Nations Trade*

#### ESSENTIAL QUESTION

- *Why do people trade?*

### Trade Between Nations

- 1. Explaining** Complete the graphic organizer to show how factors of production in selected countries can influence exports.



- 2. Analyzing** Explain how consumers' demand for low prices affects trade with other nations as well as businesses in the United States.

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- 3. Defining** As you read, use the chart to take notes on barriers to trade.

Protectionism		
Term	Definition	Purpose
Tariff		
Quota		
Subsidy		

- 4. Identifying** Limiting exports protects some jobs. In the space provided below, name the major drawback to protectionism.

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- 5. Summarizing** As you read about free trade agreements, add details to the chart.

Free Trade Agreements		
Agreement	Countries Involved	Effects
North American Free Trade Agreement (NAFTA)		
European Union (EU)		
African Union (AU)		
Asia-Pacific Economic Cooperation (APEC)		

- 6. Describing** Use the chart to take notes about the World Trade Organization (WTO).

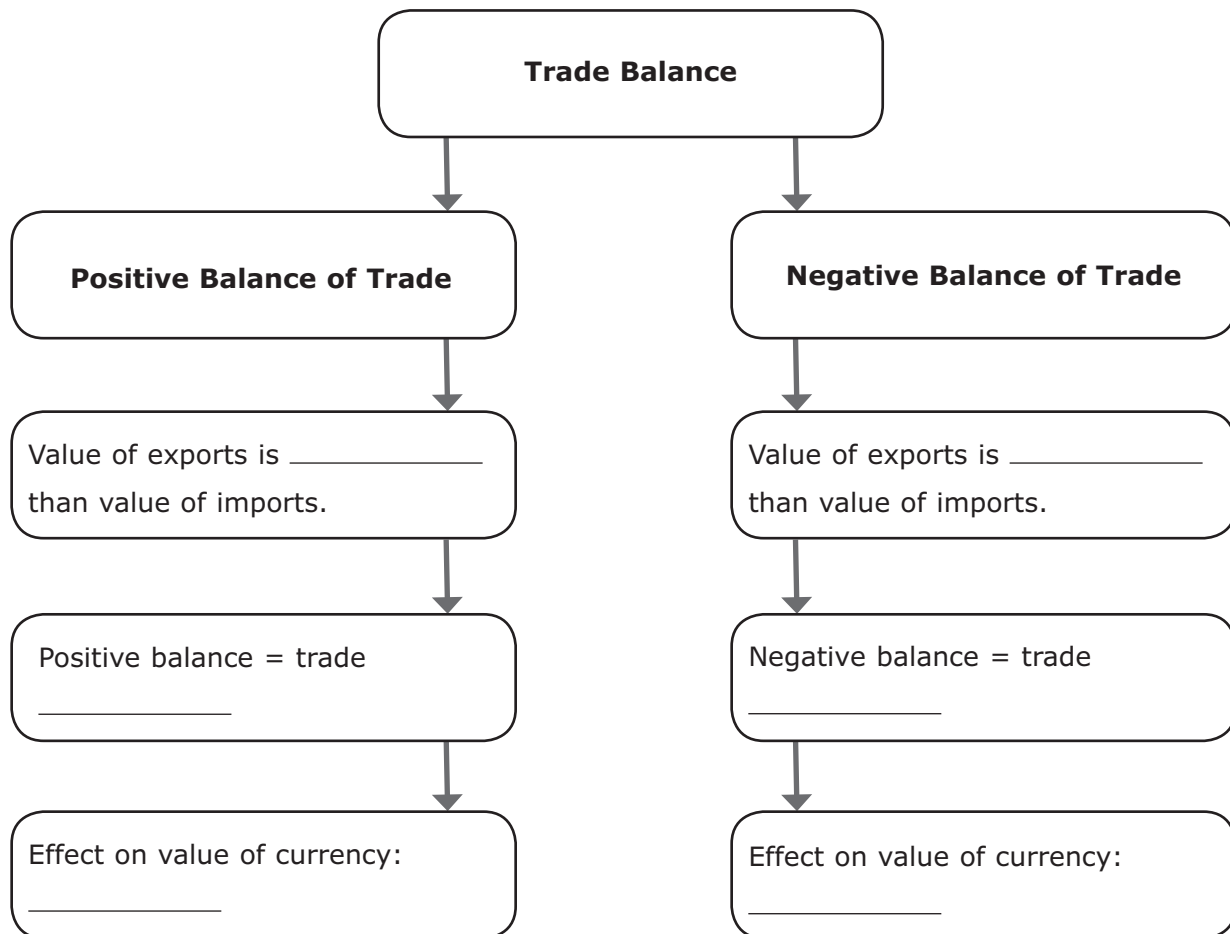
World Trade Organization		
History	Goals	Criticisms
•	•	•
•	•	•
•	•	•

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### Balance of Trade

- 7. Evaluating** Complete the flowchart to show what happens when a country has a positive or negative trade balance



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8. **Sequencing** Show what happens when a country imports goods.

### Currency and Exchange Rates in Trade

