

Name _____



The Importance of Trade

1. What does it mean for an individual or country to **specialize** in the production of goods or services?

2. Because specialization allows a country or person to concentrate on making fewer kinds of products, they become more _____, meaning they waste less time, energy, and resources when producing their goods and services.

3. What does it mean to be **interdependent**? Give an **example**.

4. Give two reasons why **countries** specialize in the production of certain goods and services.

a. _____

b. _____

5. Give an **example** of a **country** specializing in the production of a good or service.

6. What does **specialization** and **interdependence** cause countries to do with each other? **Why**?

7. What are three positive **results** of **specialization**, **interdependence**, and **trade**?

a. _____

b. _____

c. _____

TRADE BARRIERS



8. Give three examples of **how** a country could limit trade.

a. _____

b. _____

c. _____

9. **Why** would countries enact trade barriers? (*enact* = to make something into a law)

a. _____

b. _____

10. Do you think trade barriers are a good thing or a bad thing? Why? _____
