

Name _____

Economics – page 150 CRCT Test Prep Book

Compare and contrast different types of trade barriers
such as tariffs, quotas, and embargos.

1. What is trade?

2. When does trade and voluntary exchange occur?

3. Why is it better when trade is voluntary?

4. What is a tariff?

5. What is a quota?

6. What is an embargo?

7. Why would an embargo be used?

8. The European Union is a large free-trade zone. What does that mean?

9. How are tariffs going to help the people of Russia?

10. How would steel production hurt the European Union?

Explain why international trade requires a system
for exchanging currencies between nations.

1. What is currency?

2. What is the United States currency called?

3. What happens when you are in another country?

4. Explain the exchange between the Greek olive farmer and the Russian storeowner:

5. More than half of the EU countries use the _____ today.

6. Why does this make trading easier?

Explain the relationship between investments in

human capital (education and training) and gross domestic product.

1. What is the Gross Domestic Product (GDP)?

2. The GDP is one way to tell:

3. What is the standard of living?

4. What is human capital?

5. If a country invests in human capital what does that mean?

6. What does literacy rate mean?

7. If a country has nearly 100% literacy rate, this means the workforce:

8. What is Russia doing to invest in human capital?

Explain the relationship between investment in capital
(factories, machinery, and technology) and gross domestic product (GDP).

1. What is physical capital?

2. If a business is to be successful:

3. What does new technology help a business?

4. What type of problems is the former Soviet Union (Russia) trying to overcome?

Describe the role of natural resources in a country's economy.

1. What are human resources?

2. What are capital resources?

3. What are natural resources?

4. Why are natural resources important to a country?

5. What has happened in Europe?

Describe the role of entrepreneurship.

1. What is an entrepreneur?

2. What do entrepreneurs risk?

3. What must they organize?

4. Why is Russia beginning to have more entrepreneurs?

5. Why are entrepreneurs important in an economy?

6. How do entrepreneurs provide jobs?

7. How does the tax money help?

8. How do they encourage trade?
