

Latin America's VOLUNTARY TRADE

Presentation, Graphic Organizers, & Activities

Specialization

- Because countries cannot produce all of the goods/services that they need, they must specialize in what they do best.
- Specialization is an efficient way to work, and the cost of items

Brain
Wrinkles



Nissan Factory in Mexico



Voluntary Trade CLOZE Notes I

- Why Trade?**
- Voluntary trade occurs when different countries choose to engage in the _____ with one another.
 - Countries trade goods because no country has _____ to produce every single thing its people want.
 - Voluntary trade is good for countries because it lets a country _____ and buy the resources it needs.
- Specialization**
- Because countries cannot produce all of the goods/services that it needs, they must specialize in _____.
 - Specialization is an _____ and the cost of items produced is lower.
 - It increases trade because a country can get what it needs at the _____ when produced by someone who specializes in producing that item.
- Latin America**
- Mexico specializes in _____, which is one of its biggest industries.
 - Ford, Nissan, Honda, BMW, Mercedes-Benz _____.
 - Venezuela specializes in _____.
 - Brazil specializes in coffee, sugar, soybeans, _____.
 - Chile has _____ industries.
- Barriers**
- Trade barriers are natural or man-made.
 - Natural trade barriers include _____, _____, _____, _____, or lack of access to bodies of water.
 - Man-made trade barriers are _____.
 - Tariffs are _____.
 - They have the effect of _____.
 - They are usually meant to help domestic _____.

Muddiest Point

What is the most confusing part of the topic that we're studying. Write something that you don't understand below.



Extra! Extra!

Directions: Write a news article that describes this important event: NAFTA taking effect on January 1, 1994. Add a catchy headline (top box) and an action shot (snapshot box). Be sure to include information about NAFTA's purpose.

Date: _____ \$ _____

Article By: _____

Specialization Instant Replay

Directions: Review the economic cartoon of "Specialization" by drawing a scene depicting specialization in action on the TV below. First, write a one-sentence breakdown of the scene in the box below.

STANDARDS:

SS6E2 The student will give examples of how voluntary trade benefits buyers and sellers in Latin America and the Caribbean and Canada.

- a. Explain how specialization encourages trade between countries.
- b. Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargos.
- c. Explain the functions of the North American Free Trade Agreement (NAFTA).
- d. Explain why international trade requires a system for exchanging currencies between nations.

TEACHER INFO: CLOZE Notes

- The next pages are handouts for the students to use for note-taking during the presentation. (Print front to back to save paper and ink.)
- Check the answers as a class after the presentation.

Voluntary Trade GLOZE Notes 1

Why Trade?

- Voluntary trade occurs when different countries choose to engage in the _____ with one another.
- Countries trade goods because no country has _____ to produce every single thing its people need.
- Voluntary trade is good for countries because it lets a country _____ and buy the resources it needs.

Specialization

- Because countries cannot produce all of the goods/services that it needs, they must specialize in _____.
- Specialization is an _____, and the cost of items produced is lower.
- It increases trade because a country can get what it needs at the _____ when produced by someone who specializes in producing that item.

Latin America

- Mexico specializes in _____, which is one of its biggest industries.
- Ford, Nissan, Honda, BMW, Mercedes-Benz, and more all have _____.
- Venezuela specializes in _____ of the country's trade revenue.
- Brazil specializes in cattle, timber, sugar, soybeans, poultry, and _____.
- It also has _____, steel, manufacturing, and technology industries.

Barriers

- Trade barriers are natural or man-made _____.
- Natural trade barriers include _____, deserts, rainforests, or lack of access to bodies of water.
- Bolivia is a _____, so trade is difficult because it does not have ports to ship goods overseas.
- Political trade barriers are policies _____ to regulate trade.
- Countries sometimes set up trade _____ because they want to sell and produce their own goods.
- They are usually meant to help domestic producers _____ with foreign producers in the world marketplace.

Voluntary Trade GLOZE Notes 2

Tariffs

- Tariffs are _____.
- They cause the consumer to _____ for an imported item, thus increasing the demand for a lower priced-item produced domestically.
- For example, Colombia could place a tariff on all imported coffee, thus making Colombian coffee _____.

Quotas

- Quotas are _____ that can be imported into a country.
- Quotas can _____, which cause prices to rise.

Embargo

- Embargoes are another _____ to trade.
- In an embargo, nations _____ with a country at all.
- Since the 1960s, the U.S. has imposed an _____.
- The purpose of the embargo is to _____ government to respect human rights and allow more political and economic freedom.
- _____ between the US and Cuba since 2015, so we'll see what happens in the next few years...

Currency Exchange

- Currency is something that is _____ and can be used to purchase goods and services in a market.
- Because countries have _____, international trade require a system for exchanging currencies between nations.
- Money from one country must be _____ of another country to pay for goods in that country.

Exchange Rate

- What the _____ in terms of another country's currency is called the exchange rate.
- For example, an exchange rate of 3 reals to the US dollar means that 3 reals are worth the _____.
- Foreign exchange makes it easier to trade all _____.

Voluntary Trade GLOZE Notes 3

NAFTA

- On January 1, 1994, the governments of Canada, Mexico, and the United States entered into an agreement called the _____.

- NAFTA _____ between the three countries and became the world's largest free-trade zone.
- It greatly increased _____ in North America.

Functions

- NAFTA's key functions include:
 1. Eliminating _____
 2. Removing _____ on investments
 3. Removing customs barriers at _____
 4. Establishing tough _____, health, and safety regulations
 5. Improving _____

Voluntary Trade @ GLOZE Notes 1 KEY

Why Trade?

- Voluntary trade occurs when different countries choose to engage in the **exchange of goods** with one another.
- Countries trade goods because no country has **all the resources necessary** to produce every single thing its people need.
- Voluntary trade is good for countries because it lets a country **sell its own resources** and buy the resources it needs.

Specialization

- Because countries cannot produce all of the goods/services that it needs, they must specialize in **what they do best**.
- Specialization is an **efficient way to work**, and the cost of items produced is lower.
- It increases trade because a country can get what it needs at the **lowest cost** when produced by someone who specializes in producing that item.

Latin America

- Mexico specializes in **automobile production**, which is one of its biggest industries.
- Ford, Nissan, Honda, BMW, Mercedes-Benz, and more all have **plants in Mexico**.
- Venezuela specializes in **oil production**.
- **Oil exports provide 90%** of the country's trade revenue.
- Brazil specializes in cattle, timber, sugar, soybeans, poultry, and **citrus products**.
- It also has **growing automobile**, steel, manufacturing, and technology industries.

Barriers

- Trade barriers are natural or man-made **obstacles to voluntary trade**.
- Natural trade barriers include **mountain ranges**, deserts, rainforests, or lack of access to bodies of water.
- Bolivia is a **landlocked country**, so trade is difficult because it does not have ports to ship goods overseas.
- Political trade barriers are policies **passed by a government** to regulate trade.
- Countries sometimes set up trade **barriers to restrict trade** because they want to sell and produce their own goods.
- They are usually meant to help domestic producers **remain competitive** with foreign producers in the world marketplace.

Voluntary Trade CLOZE Notes 2 KEY

Tariffs

- Tariffs are **taxes placed on imported goods**.
- They cause the consumer to **pay a higher price** for an imported item, thus increasing the demand for a lower priced-item produced domestically.
- For example, Colombia could place a tariff on all imported coffee, thus making Colombian coffee **cheaper for its consumers**.

Quotas

- Quotas are **limits on the amount of a good** that can be imported into a country.
- Quotas can **cause shortages**, which cause prices to rise.

Embargo

- Embargoes are another **political barrier** to trade.
- In an embargo, nations **refuse to trade** with a country at all.
- Since the 1960s, the U.S. has imposed an **embargo against Cuba**.
- The purpose of the embargo is to **pressure Cuba's communist** government to respect human rights and allow more political and economic freedom.
- **Relations have been improving** between the US and Cuba since 2015, so we'll see what happens in the next few years...

Currency Exchange

- Currency is something that is **assigned value** and can be used to purchase goods and services in a market.
- Because countries have **different forms of currency**, international trade require a system for exchanging currencies between nations.
- Money from one country must be **converted into the currency** of another country to pay for goods in that country.

Exchange Rate

- What the **currency of a nation is worth** in terms of another country's currency is called the exchange rate.
- For example, an exchange rate of 3 reals to the US dollar means that 3 reals are worth the **same as 1 dollar**.
- Foreign exchange makes it easier to trade all **around the world**.

Voluntary Trade @ GLOZE Notes 3 KEY

NAFTA

- On January 1, 1994, the governments of Canada, Mexico, and the United States entered into an agreement called the **North American Free Trade Agreement**.
- NAFTA **lowered trade barriers** between the three countries and became the world's largest free-trade zone.
- It greatly increased **trade and economic integration** in North America.

Functions

- NAFTA's key functions include:
 1. Eliminating **tariffs**
 2. Removing **restrictions** on investments
 3. Removing customs barriers at **border crossings**
 4. Establishing tough **standards for environmental, health, and safety** regulations
 5. Improving **working conditions**

Latin America's **VOLUNTARY TRADE**

Specialization, Trade
Barriers, Currency
Exchange, & NAFTA



Why Trade?

- Voluntary trade occurs when different countries choose to engage in the exchange of goods with one another.
- Countries trade goods because no country has all the resources necessary to produce every single thing its people need.
- Voluntary trade is good for countries because it lets a country sell its own resources and buy the resources it needs.



Specialization

Specialization

- Because countries cannot produce all of the goods/services that they need, they must specialize in what they do best.
- Specialization is an efficient way to work, and the cost of items produced is lower.
- It increases trade because a country can get what it needs at the lowest cost when produced by someone who specializes in producing that item.

Latin America

- Mexico specializes in automobile production, which is one of its biggest industries.
 - Ford, Nissan, Honda, BMW, Mercedes-Benz, and more all have plants in Mexico.
- Venezuela specializes in oil production.
 - Oil exports provide 90% of the country's trade revenue.
- Brazil specializes in cattle, timber, sugar, soybeans, poultry, and citrus products.
 - It also has growing automobile, steel, manufacturing, and technology industries.

Nissan Factory in Mexico



80% of the World's Orange Juice is Produced in Brazil





Trade Barriers

Barriers

- Trade barriers are natural or man-made obstacles to voluntary trade.
- Natural trade barriers include mountain ranges, deserts, rainforests, or lack of access to bodies of water.
 - Bolivia is a landlocked country, so trade is difficult because it does not have ports to ship goods overseas.
- Political trade barriers are policies passed by a government to regulate trade.



Barriers

- Countries sometimes set up trade barriers to restrict trade because they want to sell and produce their own goods.
- They are usually meant to help domestic producers remain competitive with foreign producers in the world marketplace.

Tariffs

- Tariffs are taxes placed on imported goods.
- They cause the consumer to pay a higher price for an imported item, thus increasing the demand for a lower priced-item produced domestically.
- For example, Colombia could place a tariff on all imported coffee, thus making Colombian coffee cheaper for its consumers.


Quotas

- Quotas are limits on the amount of a good that can be imported into a country.
- Quotas can cause shortages, which cause prices to rise.

Embargo

- Embargoes are another political barrier to trade.
- In an embargo, nations refuse to trade with a country at all.
- Since the 1960s, the U.S. has imposed an embargo against Cuba.
 - The purpose of the embargo is to pressure Cuba's communist government to respect human rights and allow more political and economic freedom.
- Relations have been improving between the US and Cuba since 2015, so we'll see what happens in the next few years...





Currency Exchange

Currency Exchange

- Currency is something that is assigned value and can be used to purchase goods and services in a market.
- Because countries have different forms of currency, international trade require a system for exchanging currencies between nations.
- Money from one country must be converted into the currency of another country to pay for goods in that country.



Brazilian Real

Cuban Peso



Mexican Peso



Exchange Rate

- What the currency of a nation is worth in terms of another country's currency is called the exchange rate.
- For example, an exchange rate of 3 reals to the US dollar means that 3 reals are worth the same as 1 dollar.
- Foreign exchange makes it easier to trade all around the world.

Nation	Currency	Exchange Rate Against US Dollar 2016
Mexico	Mexican Peso	18.7
Brazil	Brazilian Real	3.9
Cuba	Cuban Peso	26.5
Chile	Chilean Peso	712.4
Venezuela	Venezuelan Bolivar	6.3

The image features a repeating chevron pattern in shades of teal, light blue, and lime green. In the center, a light blue oval with a thin white border contains the text "NAFTA" in a bold, teal, sans-serif font.

NAFTA

NAFTA

- On January 1, 1994, the governments of Canada, Mexico, and the United States entered into an agreement called the North American Free Trade Agreement.
- NAFTA lowered trade barriers between the three countries and became the world's largest free-trade zone.
- It greatly increased trade and economic integration in North America.



President Clinton signing NAFTA into law.

Functions

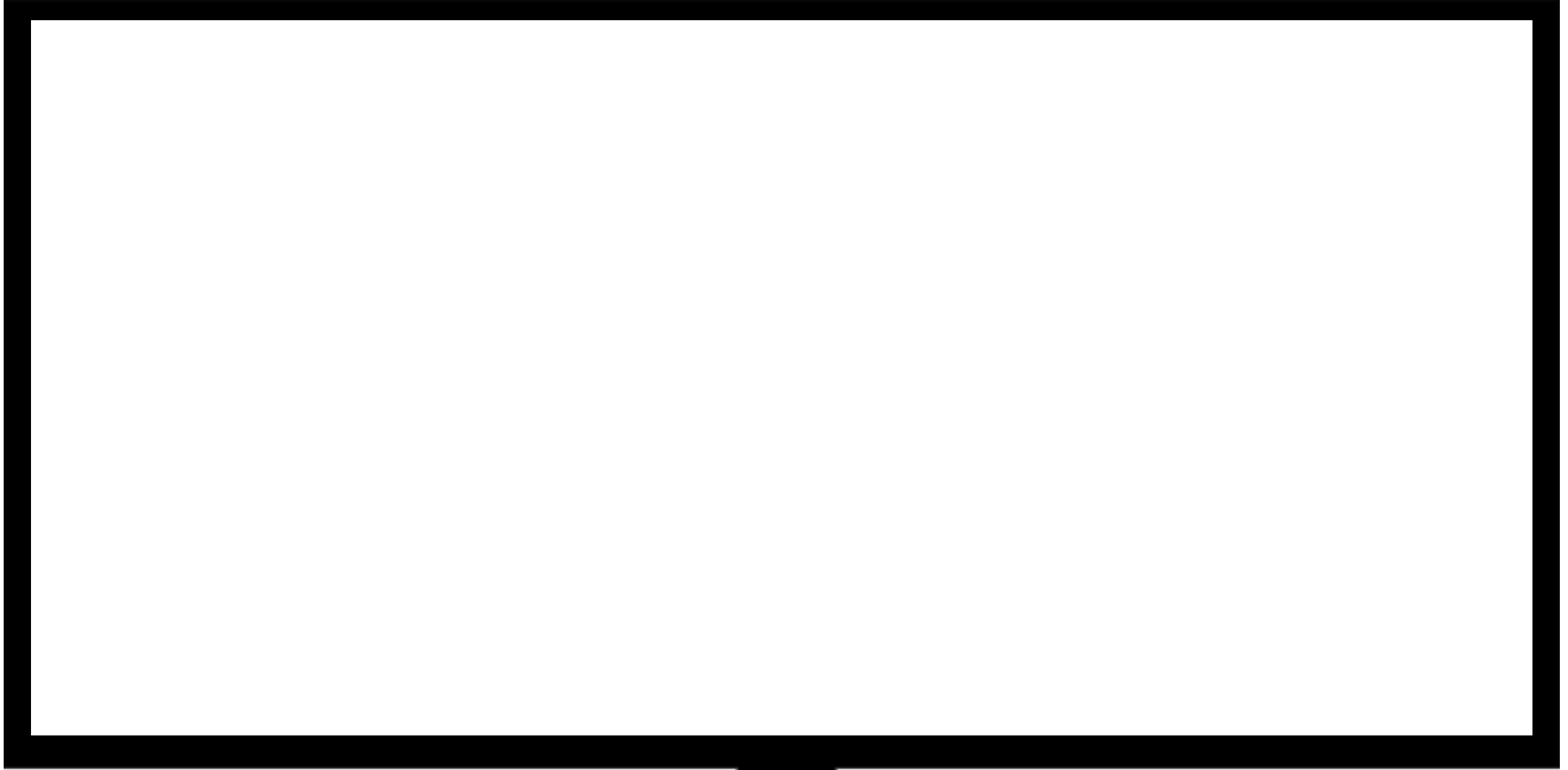
- NAFTA's key functions include:
 1. Eliminating tariffs
 2. Removing restrictions on investments
 3. Removing customs barriers at border crossings
 4. Establishing tough standards for environmental, health, and safety regulations
 5. Improving working conditions

TEACHER INFO: Instant Replay

- Print off the Specialization Instant Replay handout for each student.
- The students will draw a scene depicting specialization in action.
- In the textbox, they will write a play-by-play (short summary) of what is happening in the scene.

Specialization Instant Replay

Directions: Review the economic concept of "specialization" by drawing a scene depicting specialization in action on the TV below. Next, write a play-by-play breakdown of the scene in the textbox.

A large, empty rounded rectangular box with a thick black border, intended for writing a play-by-play breakdown of the scene.

TEACHER INFO: Trade Barriers Comic Strip

- Print off the Comic Strip handout for each student.
- The students will create a comic strip that shows each trade barrier in action.
- They can choose to use actual countries, or they can create their own characters. *Info about the trade barriers should still be factual, though.

Trade Barriers Comic Strip

Directions: Create a comic strip that shows trade barriers in action. You can use actual countries, or you can create your own characters. Be sure to include factual information about how each trade barrier works in your comic strip!

TEACHER INFO: Extra! Extra!

- Print off the Extra! Extra! handout for each student.
- The students will write a news article about NAFTA taking effect. The article should include the purpose of NAFTA and its major functions.
- In the “polaroid”, they will draw an action shot of something related to NAFTA.

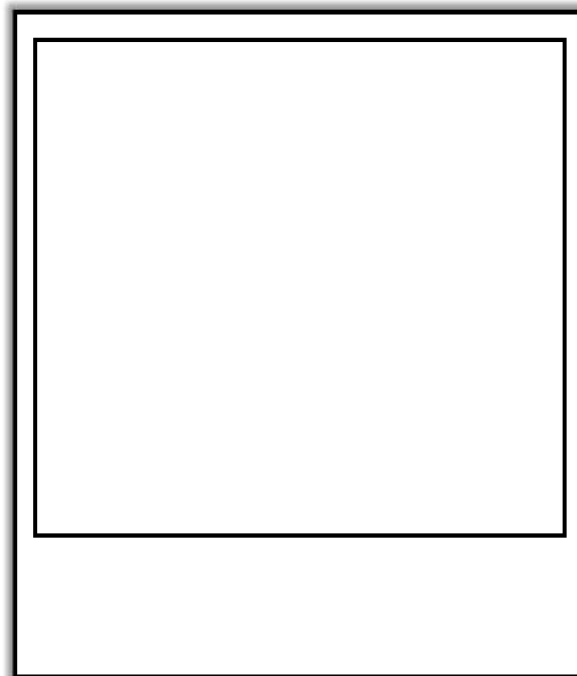
Extra! Extra!

Directions: Write a news article that describes this important event: NAFTA taking effect on January 1, 1994. Add a catchy headline (top box) and an action shot (snapshot box). Be sure to include information about NAFTA's purpose.

Date:

\$

Article By:



TEACHER INFO: FLIPPED

- Print off the FLIPPED handout for each student.
- The students will write questions for the answers inside of the 6 circles.
- When they are finished, have the students trade papers with an elbow buddy and check each other's questions to make sure that they are correct.

FLIPPED



Directions: Create accurate review questions for the six answers below.

The answer is:
SPECIALIZATION

What is the question?

The answer is:
QUOTA

What is the question?

The answer is:
NAFTA

What is the question?



The answer is:
EMBARGO

What is the question?



The answer is:
TARIFF

What is the question?



The answer is:
CURRENCY
EXCHANGE

What is the question?



TEACHER INFO: Comprehension Check

- Print off the Comprehension Check handout for each student.
- Students will complete the assignment after discussing the presentation. This can also be used as a quiz!

Voluntary Trade Comprehension Check

1. Give an example of specialization:
2. What are two advantages to specialization?
3. What type of trade barrier involves adding a special tax on imported goods?
4. What trade barrier restricts the quantity of an item that is brought into a country?
5. What is an embargo?
6. Give an example of an embargo:
7. Which countries are involved in NAFTA?
8. What is the main purpose of NAFTA?
9. What is the currency of Mexico?
10. Why must people exchange currency?

Voluntary Trade

Comprehension Check - **KEY**

1. Give an example of specialization:
Answers vary. Examples: Brazil – oranges, Mexico – cars, Venezuela – oil
2. What are two advantages to specialization?
Lower costs & faster production
3. What type of trade barrier involves adding a special tax on imported goods?
Tariff
4. What trade barrier restricts the quantity of an item that is brought into a country?
Quota
5. What is an embargo?
Complete ban on trading between two countries
6. Give an example of an embargo:
US-Cuba since 1960s
7. Which countries are involved in NAFTA?
US, Canada, & Mexico
8. What is the main purpose of NAFTA?
To increase trade by creating a free-trade zone
9. What is the currency of Mexico?
Peso
10. Why must people exchange currency?
Because different countries have different currencies

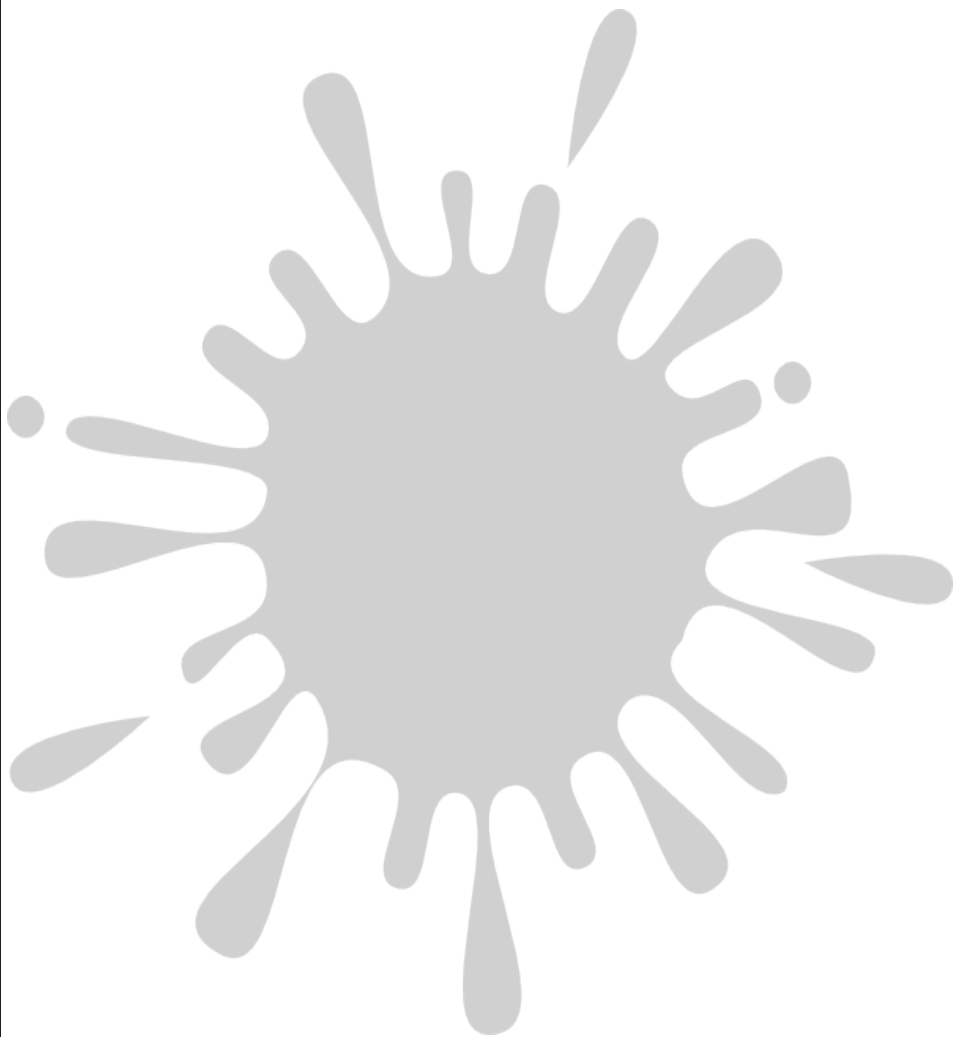
TEACHER INFO: TICKET OUT THE DOOR

- Print out the exit slip page for each student (two-per-page).
- Have the students write down what the most confusing part of today's lesson was for them.
- After class, read over the slips and address the "muddiest points" the next day. This is a helpful slip to use to see what needs to be taught again.

Name:

Muddiest Point

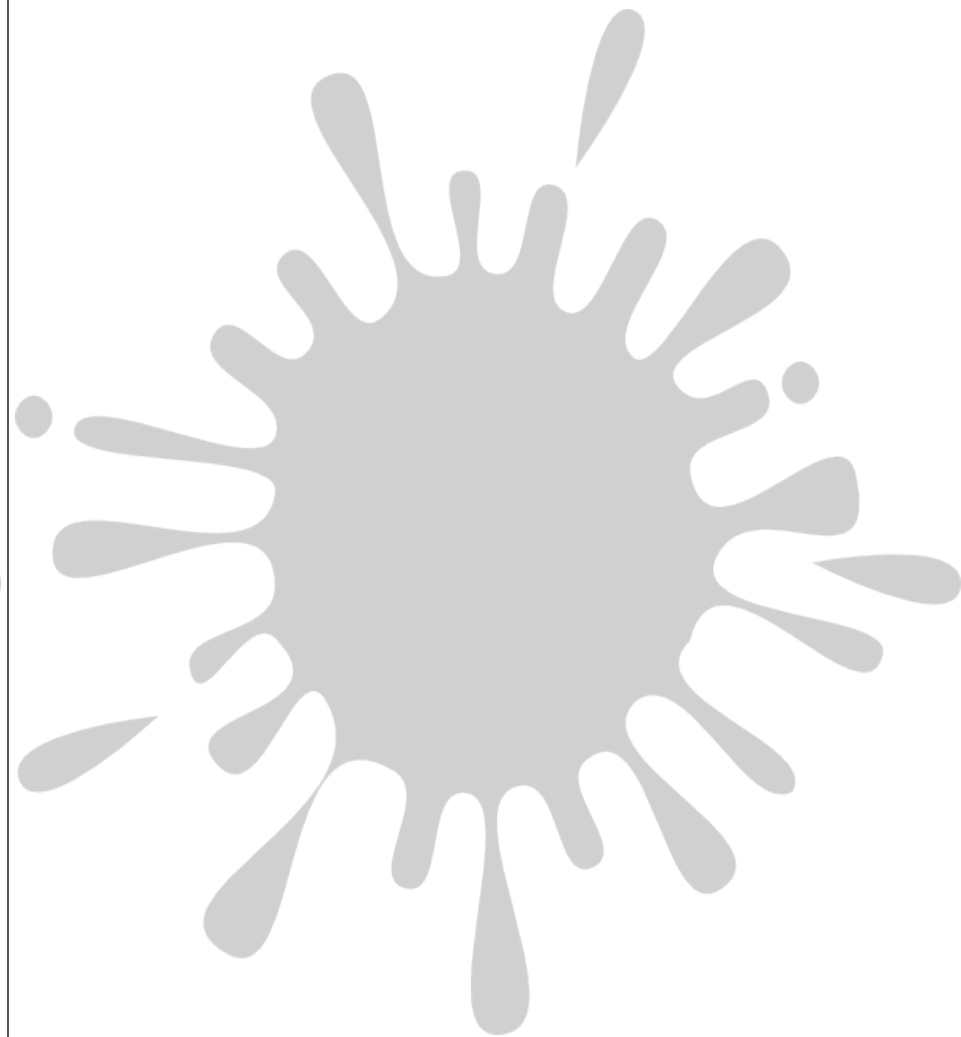
What is the most confusing part of the topic that we're studying. Write something that you don't understand below.



Name:

Muddiest Point

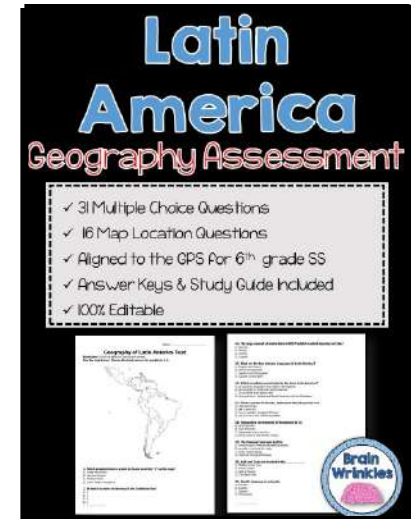
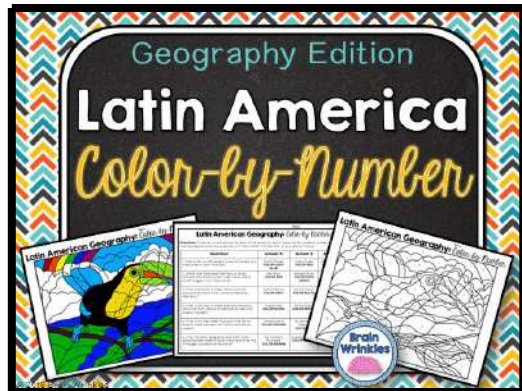
What is the most confusing part of the topic that we're studying. Write something that you don't understand below.



Thank You!

Thank you so much for downloading this file. I sincerely hope you find it helpful and that your students learn a lot from it! I look forward to reading your feedback in my store.

If you like this file, you might want to check out some of my other products that teach social studies topics in creative, engaging, and hands-on ways.



Best wishes,

Ansley at Brain Wrinkles



Terms of Use

© 2016 Brain Wrinkles. Your download includes a limited use license from Brain Wrinkles. The purchaser may use the resource for **personal classroom use only**. The license is not transferable to another person. Other teachers should purchase their own license through my store.

This resource is **not** to be used:

- By an entire grade level, school, or district without purchasing the proper number of licenses. For school/district licenses at a discount, please contact me.
- As part of a product listed for sale or for free by another individual.
- On shared databases.
- Online in any way other than on password-protected website for student use only.

© Copyright 2016. Brain Wrinkles. All rights reserved. Permission is granted to copy pages specifically designed for student or teacher use by the **original purchaser** or licensee. The reproduction of any other part of this product is strictly prohibited. Copying any part of this product and placing it on the Internet in any form (even a personal/classroom website) is strictly forbidden. Doing so makes it possible for an Internet search to make the document available on the Internet, free of charge, and is a violation of the Digital Millennium Copyright Act (DMCA).

Thank you,

Ansley at Brain Wrinkles



Clipart, fonts, & digital papers for this product were purchased from:

