

Section Answer Keys

Chapter 4 Global Analysis

Section 4.1 International Trade

Review Key Concepts

1. Increased foreign investment in a country often improves the standard of living for the country's people. Individuals have more options to choose from when making purchasing decisions. Economic alliances among nations often solidify political alliances that foster peace.
2. A tariff is a tax on imports. A quota limits either the quantity or the monetary value of a product that may be imported. An embargo is a total ban on specific goods coming into and leaving a country (typically imposed for health or political reasons).
3. The common goal or purpose of WTO, NAFTA, and the EU trade agreements is to reduce trade restrictions and increase free trade among nations.

Practice Academics

Social Studies

4. Accept all reasonable answers. Some pros of U.S. protectionism are protecting U.S. industries and U.S. workers. Some cons of U.S. protectionism are breaking existing trade agreements with other countries, retaliation from trading partners, creating higher prices for consumers by reducing competition, and creating strained relationships with foreign countries.

Mathematics

5. 68.48 billion yen ($160 \times 1.053 = 168.48$)