

Trade Scavenger Hunt

Do you own products that were made in a different country? Trade is the exchange of goods and services. Trading with other countries is an important part of our society. Learn more about the trade on the World Book Web and then find the answers to the following questions!

Find It!

1. What is the difference between domestic trade and international trade?
2. Why does specialization make trade necessary?
3. How does money make trade easier?
4. What is the difference between wholesale trade and retail trade?
5. Why is local trade less important today than it once was?
6. What is globalization?
7. Name two commodity exchanges in the United States.
8. What is the purpose of the World Trade Organization?
9. What is a tariff?
10. Give three reasons why a country would export its goods.

Did You Know?

- ◆ In 1992, the European Union was formed. This organization of 27 countries in Europe helps create a single economic market with no barriers to trade between members. With all of these smaller countries bound together, they have more people, goods, services, imports, and exports than the United States.
- ◆ Since the late 1990's, the World Trade Organization has been criticized by citizens who feel world trade limits nations' independence, overlooks workers' rights, harms the environment, and takes advantage of developing nations.
- ◆ Nations can sign *reciprocal trade agreements* with each other to lower the tariffs on goods and services. The United States signed its first reciprocal trade agreement in 1934.

Learn More!

- ◆ Steel has traditionally been a major industry for the United States. However, since the end of World War II, steel has been on a steady decline. Learn about how President Bush tried to use tariffs to try to help the U.S. Steel industry.
<http://www.worldbookonline.com/wb/Media?id=sr603006&st=trade>

- ◆ In 1998, the countries of the European Union created the “euro” – a single European currency. Learn more about how they came to this agreement.
<http://www.worldbookonline.com/wb/Media?id=sr599009&st=trade>
- ◆ Click here to see traders at the Chicago Mercantile Exchange!
- ◆ Look carefully at the map of Lewis and Clark’s travels. Did they explore through the state where you live?
<http://worldbookonline.com/wb/Media?id=lr004190&st=lewis+clark>

Answer Key

1. Domestic trade is trade within a country and international trade is trade between different countries.
2. Specialization means that workers only make what they can make well. Because they only make a few things, they must trade to get the other things they need.
3. When workers receive money for their goods, they can use that money for other things they need. If we didn't have money, workers would have to barter with other workers to get what they need.
4. In wholesale trade, the producers' goods are sold to someone who will then sell it to the final consumer. In retail trade, the person buying the goods is the one who is going to use them.
5. Transportation has affected the importance of local trade. Now, goods can be refrigerated and shipped great distances for a very low cost, so consumers can purchase products from all over the world.
6. Globalization is the trend towards increased cultural and economic connectedness between people, business, and organizations through the world.
7. United States commodity exchanges include the Chicago-based CME group, the New York Mercantile Exchange, and the Atlanta-based Intercontinental Exchange.
8. The World Trade Organization helps its members conclude trade negotiations and to act as a neutral judge in trade disputes.
9. A tariff is a tax that is placed on goods that are being imported from one country to another.
10. A country exports its goods if they are one of the few producers of the product, they can produce the good at a lower price than other countries, or if their goods are in high demand because of their outstanding quality.