

Essay and Discussion Questions

## Trade High School Questions

Help students understand international trade through these essay and discussion questions.

### Introduction

1. What did classical economists say that countries should do instead of engaging in mercantilism?
2. What is specialization?
3. How are economies measured today?
4. How do tariffs work? What effects do they have on domestic producers and consumers?
5. What are the advantages and disadvantages of setting up trade barriers?
6. Since trade inevitably creates winners and losers, do you think increasing trade should be a goal? Why or why not?
7. Should U.S. companies produce more products in the United States? Why or why not?
8. Are protective tariffs worth the economic and foreign policy consequences? Why or why not?

### Policy

1. What is the role of the World Trade Organization (WTO)?
2. How do trade wars work?
3. How do tariffs work? What effects do they have on domestic producers and consumers?
4. What are the benefits of foreign direct investment?
5. What are the advantages and disadvantages of the WTO?
6. What are the advantages and disadvantages of setting up trade barriers?
7. What are the advantages of regional trade agreements compared to the WTO?
8. How is foreign direct investment different from trade? What are the benefits of each?
9. Since trade inevitably creates winners and losers, do you think increasing trade should be a goal? Why or why not?
10. Should U.S. companies produce more products in the United States? Why or why not?
11. Are protective tariffs worth the economic and foreign policy consequences? Why or why not?

### Trade Wars and China

1. How do trade wars work?
2. What does the size of a trade deficit or surplus tell us? What does it not tell us?
3. What are the advantages and disadvantages of setting up trade barriers?
4. What would be the advantages and disadvantages to a U.S. company in moving the manufacturing of a product, such as sneakers, into the United States?
5. Should U.S. companies produce more products in the United States? Why or why not?
6. Are protective tariffs worth the economic and foreign policy consequences? Why or why not?
7. Has China joining the WTO been a success for China? For the United States? For the world?