

# But Why Tariffs? | Worksheet



## Matching

Match the definition in Column A with the term in Column B.

### Column A

- \_\_\_\_\_ A tariff charged as a percentage of the good's value.
- \_\_\_\_\_ Money, including tariffs, collected by a government.
- \_\_\_\_\_ A tax placed on goods traded between countries.
- \_\_\_\_\_ A tariff imposed in response to another's tariffs.
- \_\_\_\_\_ A good brought into one country from another.
- \_\_\_\_\_ A government action that restricts international trade.

### Column B

- a. Tariff
- b. Import
- c. Ad Valorem Tariff
- d. Trade Barrier
- e. Retaliatory Tariff
- f. Revenue

## Multiple Choice

1. **Why might a U.S. business support a tariff on imported clothing from another country?**
  - a. To encourage more people to travel abroad
  - b. To reduce taxes on American-made goods
  - c. To make foreign-made clothing more expensive and boost U.S. sales
  - d. To make it easier to import raw materials from overseas
2. **If Country A places a high tariff on chocolate from Country B, which of the following is a possible consequence?**
  - a. Consumers in Country A may face higher prices for chocolate
  - b. Country B will start producing less chocolate overall
  - c. Chocolate from Country B will become cheaper in Country A
  - d. Tariffs in Country A will be replaced with sales taxes
3. **Which of the following best explains why a government might prefer an ad valorem tariff over a specific tariff?**
  - a. It's easier to enforce at border checkpoints
  - b. It adjusts automatically based on the value of the product
  - c. It always results in higher revenue
  - d. It applies only to exports, not imports
4. **Which scenario would most likely result in a "trade war"?**
  - a. A country lowers all tariffs to attract more imports
  - b. A country replaces tariffs with income taxes
  - c. A country places a tariff only on luxury goods like watches
  - d. Two countries keep raising tariffs on each other's goods in response

## Application

Choose a product that is commonly imported from another country, such as electronics, clothing, furniture, or automobiles.

In a short paragraph, explain why a government might decide to place a tariff on that product. Then, describe one possible trade-off for the government and one possible trade-off for consumers that could happen as a result of the tariff.



## But Why Tariffs? | Answer Key

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### Application

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In a short paragraph, explain why a government might decide to place a tariff on that product. Then, describe one possible trade-off for the government and one possible trade-off for consumers that could happen as a result of the tariff.

Example Student Response: "One product commonly imported from other countries is clothing. A government might decide to place a tariff on imported clothing to protect businesses that produce clothes domestically. This could encourage consumers to buy more locally made products and help preserve jobs in the clothing industry. However, a trade-off for the government is that other countries might respond with their own tariffs, hurting industries that rely on exports. A trade-off for consumers is that clothing prices might rise, making it harder for people to afford the same amount or quality of clothing."

Guidance for Grading:

- Understanding: Demonstrates clear understanding of why governments use tariffs and the concept of trade-offs for both governments and consumers.
- Response: Includes a product commonly imported from another country. Provides a reason why a government might place a tariff on that product. Identifies one government and one consumer trade-off.
- Semantics: Writing is organized into a clear paragraph. Sentences are complete, logical, and use appropriate academic language. Minor grammatical errors or spelling mistakes do not disrupt understanding.