

Make Trade, Not War | Worksheet



Matching

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

Column A

- _____ A nation's official money used for trade.
- _____ The difference between exports and imports.
- _____ The exchange of goods and services.
- _____ Focusing on producing one good more efficiently.
- _____ Producing goods at lower opportunity costs than others.
- _____ The value of one currency compared to another.

Column B

- a. Trade
- b. Specialization
- c. Comparative advantage
- d. Currency
- e. Exchange rate
- f. Trade balance

Multiple Choice

1. **The United States and Colombia both produce coffee. The U.S. produces more coffee overall, but Colombia gives up fewer resources to grow it. Which country has a comparative advantage in coffee production?**
 - a. The United States
 - b. Colombia
 - c. Both countries
 - d. Neither country
2. **Which is a potential *disadvantage* of having a strong national currency?**
 - a. Tourists can buy more with their money
 - b. Imported goods become more expensive
 - c. Inflation increases rapidly
 - d. It can reduce demand for a country's exports
3. **What is a likely effect when a country exports more than it imports?**
 - a. The country's currency becomes weaker, causing a trade deficit.
 - b. The country's currency loses value, causing a trade surplus.
 - c. The country's currency becomes stronger due to a trade surplus.
 - d. The country's trade balance becomes negative, resulting in a deficit.
4. **Why is international trade often more efficient than countries trying to produce everything themselves?**
 - a. It lets countries specialize and benefit from comparative advantage.
 - b. It allows countries to have multiple currencies circulating in the economy.
 - c. It allows countries to take control of foreign governments.
 - d. It increases domestic inflation and decreases exports.

Application

Think about the goods you use in your daily life, such as clothing, electronics, food, or toys. Choose one product and explain how global trade might have helped that item reach you. In your response, include how **specialization**, **comparative advantage**, or **currency exchange** could play a role.



Scan to watch episode:

Make Trade, Not War | Answer Key

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Sample Answer Key:

"I have a phone that was assembled in China, but it includes parts from countries all over the world. For example, the screen might come from South Korea, and the processor might be from the U.S., which specializes in making certain parts because they can do it more efficiently or at a lower cost. That's comparative advantage. If the U.S. tried to make every part and assemble the phone itself, it would probably take more time and money. Also, when companies in different countries trade parts and services, they need to exchange currencies, like U.S. dollars into Chinese yuan, based on the exchange rate. Without global trade, my phone would either be way more expensive or not exist at all."

Guidance for Grading

- ☐ **Product Example:** The student should choose a specific product they personally use (e.g., clothing, electronics, food, or toys). Strong responses name a real item and show clear understanding of where or how it might be produced globally.
- ☐ **Trade Connection:** The response should explain how trade helps that item become available. A strong answer will reference how multiple countries may be involved in production, parts, or shipping. The student should mention and apply at least one of the following concepts correctly:
 - ☐ **Specialization** – Countries focus on what they produce efficiently.
 - ☐ **Comparative advantage** – The item (or part) is produced where it costs less in time, money, or resources.
 - ☐ **Currency exchange** – When trade happens, currencies must be exchanged using an exchange rate.
- ☐ **Critical Thinking and Realism:** A high-quality answer will connect the concept to everyday experience (e.g., affordability, availability, or quality of goods). Strong answers may also mention efficiency, cost differences, or international cooperation in trade.