

# Vocabulary Activity

## The Global Economy

### Content Vocabulary

1. **DIRECTIONS:** Use this graphic organizer to explain what an import is and what an export is. Then explain what a tariff is and how it is related to either an import or an export. Use the vocabulary words **import**, **tariff**, and **export** in your answer.

Import	Tariff	Export

2. **DIRECTIONS:** Use this graphic organizer to describe the differences between the two types of advantages. Use the terms **absolute advantage** and **comparative advantage** in your answer.

Type of Advantage	Description
<b>Absolute advantage</b>	
<b>Comparative advantage</b>	

## Vocabulary Activity *(continued)*

### The Global Economy

3. **DIRECTIONS:** Read the following sentences, and explain what the terms **developed country** and **developing country** mean based on the information given. Use the chart to write your explanations. Use the term **standard of living** in both of your explanations.

A country's standard of living is influenced by whether the country is developed or developing. Developed countries such as the United States are industrialized and have a strong infrastructure, good institutions, and many public goods. Most non-industrialized developing countries do not have these things at nearly the same rate but are beginning to invest in them.

Term	Explanation
<b>Developed country</b>	
<b>Developing country</b>	

**DIRECTIONS:** Read the following sentences. If the statement is true, write *T* in the blank. If the statement is false, write *F*, and then explain in the space provided why the statement is false. Include the vocabulary word(s) in parentheses in your explanation.

- \_\_\_\_\_ 4. Protectionism is the use of tactics that make imported goods less expensive than domestic goods. **(protectionism)**
- \_\_\_\_\_ 5. A quota is a limit on the amount of domestic goods exported to another country. **(quota)**
- \_\_\_\_\_ 6. Oil companies often receive a subsidy from the U.S. government to keep gas prices low. **(subsidy)**
- \_\_\_\_\_ 7. The currency used in the United States is the yen. **(currency)**
- \_\_\_\_\_ 8. Economic interdependence is the reliance of people and countries around the world on one another for goods and services. **(economic interdependence)**
- \_\_\_\_\_ 9. A trade bloc is a group of countries, usually located in a particular region, whose members compete against each other to limit free trade within the group. **(trade bloc)**
- \_\_\_\_\_ 10. To increase privatization, Russia's government changed more and more individually owned businesses into ones owned by the state. **(privatization)**

## Vocabulary Activity *(continued)*

### The Global Economy

11. **DIRECTIONS:** Use this graphic organizer to describe how each of the following contributes to foreign trade. Use the terms **foreign exchange**, **exchange rate**, and **balance of trade** in your answers.

Policy or Concept	What It Is	How It Contributes to International Trade
Foreign exchange		
Exchange rate		
Balance of trade		

**DIRECTIONS:** Read the following sentences and answer the questions.

12. Explain why some companies **outsource** and what this can do to the host and the **standards of living** of the receiving countries.

13. Explain what a **multilateral agreement is** and how the adoption of multilateral agreements can lead to **multinationals**.

14. Describe what a **black market** is.

## Vocabulary Activity (*continued*)

### The Global Economy

#### Academic Vocabulary

**DIRECTIONS:** From the vocabulary list, choose the best word to answer each question.

**transfer, integrate, rely, register, impact**

15. Which word means “to depend on”?
  
  
  
  
  
  
  
  
  
  
16. Which term is another word for *combine*?
  
  
  
  
  
  
  
  
  
  
17. Which word describes an effect on a person or thing?
  
  
  
  
  
  
  
  
  
  
18. Which word refers to entering onto an official list?
  
  
  
  
  
  
  
  
  
  
19. Which word means “to shift or reassign”?