

Name \_\_\_\_\_

Date \_\_\_\_\_

# What is Trade?

*Read each question and circle the correct answer.*

**1.** Trade is the exchange of goods and

- A. services.
- B. embargoes.
- C. businesses.
- D. restrictions.

**2.** Which of these is an example of a service?

- A. a smartphone
- B. Nike sneakers
- C. a bushel of apples
- D. fixing your computer

**3.** Which of these is an example of a good?

- A. babysitting
- B. trendy jeans
- C. mowing the lawn
- D. designing a building

**4.** True or False: Trade only happens between countries.

- A. True
- B. False

**5.** What happens when two parties willingly trade with each other?

- A. Both parties disappear.
- B. Both parties end up better than they were before.
- C. Neither party ends up better than they were before.
- D. One party does very well, and the other one suffers.

**6.** A good brought in from another country is called a(n)

- A. tariff.
- B. export.
- C. import.
- D. embargo.

**7.** A good sent out to another country is called a(n)

- A. tariff.
- B. export.
- C. import.
- D. embargo.

**8.** Why might a country want to restrict trade from other countries?

- A. to shrink its economy
- B. to encourage free trade
- C. to increase spending on imports
- D. to make domestic products more attractive

**9.** Which of these is an example of a trade restriction?

- A. tariffs
- B. imports
- C. services
- D. economies

**10.** Why did the US place an embargo on trading goods with Cuba?

- A. to help develop Cuba's goods and services
- B. to show support for the Cuban government
- C. to increase travel and trade between the two countries
- D. to encourage the Cuban government to change certain policies