

Name _____

Date _____

What is Trade? - Answer Key

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.
- ☒ C. import.
- B. export.
- 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
- C. to increase spending on imports
- B. to encourage free trade
- ☒ D. to make domestic products more attractive

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

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

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

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