

**SS7E2** The student will explain how voluntary trade benefits buyers and sellers in Africa.

- a. Explain how specialization encourages trade between countries. Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargoes.
- b. Explain why international trade requires a system for exchanging currencies between nations.

**SS7E3** The student will describe factors that influence economic growth and examine their presence or absence in Nigeria and South Africa.

- a. Explain the relationship between investment in human capital (education and training) and gross domestic product (GDP).
- b. Explain the relationship between investment in capital (factories, machinery, and technology) and gross domestic product (GDP).
- c. Explain how the distribution of diamonds, gold, uranium, and oil affects the economic development of Africa.
- d. Describe the role of entrepreneurship.

**Essential Questions E2**

**Lesson Questions and Study Sheet**

1.a How do trade barriers such as tariffs, quotas, and embargoes compare and contrast?

<b>Barrier</b>	
Tariffs	
Quotas	
Embargoes	

1a. How does specialization encourage trade?

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Essential Question 1.B Why does international trade require a system for exchanging currencies among nations?

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**Essential Questions E3**

3.A What is the relationship between investment in human capital (education and training) and gross domestic product?

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3.B What is the relationship between investment in capital (factories, machinery, and technology) and gross domestic product?

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3.C What is the the role of natural resources in a country's economy?

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3.D What is the role of entrepreneur?

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#### Vocabulary

1. Quotas: set limit on goods
2. Embargoes: a ban on trade with another country
3. Tariffs: tax on imports to protect a country's industries
4. Exchange Rate: price of one country's currency in relations to another country's
5. Capital: human made goods used to produce products or services
6. Human Capital: skills and knowledge embodied in the labor force
7. Gross Domestic Product: the total market value of all goods and services produced in an economy in one year.
8. Currency: money used to exchange for goods and services
9. Natural Resources: physical gifts of nature: minerals, land, water, and vegetation
10. Entrepreneur: one that starts and promotes and business taking a great financial risk
11. Income: money received for work or investment
12. Spending: money paid for goods or services
13. Credit: money borrowed
14. Saving: Money set aside in a bank of investments
15. Investing: expend money with chance to make a profit or earn interest