

## Explain

- What did classical economists say that countries should do instead of engaging in mercantilism?
- What is specialization?
- How are economies measured today?
- What is the role of the World Trade Organization (WTO)?
- How do trade wars work?
- How do tariffs work? What effects do they have on domestic producers and consumers?
- What are the benefits of foreign direct investment?

## Analyze

- What are the advantages and disadvantages of the WTO?
- What does the size of a trade deficit or surplus tell us? What does it not tell us?
- What are the advantages and disadvantages of setting up trade barriers?
- What would be the advantages and disadvantages to a U.S. company in moving the manufacturing of a product, such as sneakers, into the United States?
- What are the advantages of regional trade agreements compared to the WTO?
- How is foreign direct investment different from trade? What are the benefits of each?

## Evaluate

- Since trade inevitably creates winners and losers, do you think increasing trade should be a goal? Why or why not?
- Should U.S. companies produce more products in the United States? Why or why not?
- Are protective tariffs worth the economic and foreign policy consequences? Why or why not?
- Has China joining the WTO been a success for China? For the United States? For the world?