

Tools for Teaching the Arkansas High School Economics with Personal Finance Course

Session 15:

Globalization

Session Description

Students will learn that people and countries engage in trade voluntarily because they expect to benefit.

Standards and Benchmarks (see page 15.5)

Talking Points

1. Generally, when a country imports a good or service, domestic producers of that good or service are made worse off and domestic consumers are made better off. However, the country as a whole is better off because the gains of those who are made better off from trade will exceed the losses of those who are made worse off.
2. Generally, when a country exports a good or service, domestic producers of that good or service are made better off and domestic consumers are made worse off. However, the country as a whole is better off because the gains of those who are made better off from trade will exceed the losses of those who are made worse off.
3. Trade barriers—those imposed naturally or by governments (tariffs, quotas, embargoes, standards, and so on)—reduce trade and, therefore, a country's gains from trade.
4. The formation of trade blocs and participation in free-trade agreements are attempts to lower trade barriers between certain countries.
5. The exchange rate of a currency is its price in terms of another currency and can be determined by market forces or fixed by a country's central bank.
6. When the price of one country's currency increases in terms of another country's currency, it is said to be appreciating in value.
7. When the price of one country's currency decreases in terms of another country's currency, it is said to be depreciating in value.

8. An appreciation in the value of a country's currency makes its exports more expensive to foreigners and imports from other countries less expensive to domestic consumers, leading to a decrease in net exports (NX) and a decrease in aggregate demand.
9. A depreciation in the value of a country's currency makes its exports less expensive to foreigners and imports more expensive to domestic consumers, leading to an increase in NX and an increase in aggregate demand.

Resources

NOTE: See p. v for instructions on how to set up an [Econ Lowdown](#) account and assign resources found in the Resource Gallery to your students.

Online Modules

Allow time for students to complete the modules:

- How Trade Helps Each Side (5:00)
<https://www.econlowdown.org/resource-gallery/how-trade-helps-each-side>
- Global Connections (5:00)
<https://www.econlowdown.org/resource-gallery/global-connections>

Audio Q&A

Allow time for students to listen to the podcast and answer the questions:

- EconoFact Audio Series—Trade and Jobs: Who Loses, Who Adapts, and Who Pays? (30:00)
<https://www.econlowdown.org/resource-gallery/econofact-trade-and-jobs-who-loses-who-adapts-and-who-pays>

Reading Q&A

Allow time for students to read the essays and answer the questions:

- *Page One Economics*®—Does International Trade Create Winners and Losers?
<https://www.econlowdown.org/resource-gallery/does-international-trade-create-winners-and-losers>
- *Page One Economics*®—Why Are Some Countries Rich and Others Poor?
<https://www.econlowdown.org/resource-gallery/why-are-some-countries-rich-and-others-poor>
- *Page One Economics*®—Is a Strong Dollar Better Than a Weak Dollar?
<https://www.econlowdown.org/resource-gallery/is-a-strong-dollar-better-than-a-weak-dollar>
- *Page One Economics*®—International Trade: Making Sense of the Trade Deficit
<https://www.econlowdown.org/resource-gallery/international-trade>

Lessons

Allow time for students to complete the lessons:

- *A Yen to Trade*
 - Lesson 1: Ringgits, Rupees, and Rials
<https://www.stlouisfed.org/education/a-yen-to-trade-unit>
 - Lesson 7: Trading Hurdles
<https://www.stlouisfed.org/education/a-yen-to-trade-unit>

- Lesson 8: Pieces of Paper
<https://www.stlouisfed.org/education/a-yen-to-trade-unit>
- Is Trade a Zero-Sum Game? The Answer Lies in Candy
<https://www.stlouisfed.org/education/is-trade-a-zero-sum-game>
- *High School Economics*, 3rd Edition (email acee@economicsarkansas.org to order this book)
 - Lesson 25: Trade: Why Do People Trade?
Visuals and activities for this lesson can be found at
<https://highschooleconomics.councilforeconed.org/>

Standards and Benchmarks

Arkansas Economic Standards

Content Standard E.1: Students will understand the impact of economic decision-making. This includes the exchange of goods and services; role of producers, consumers, and government in the marketplace; and growth, stability, and interdependence within a global economy.

Content Standard E.3: Students will understand the exchange of goods and services. This includes different allocation methods and changes in supply and demand; the role of producers, consumers, and government in a market economy; and the degree of competition among buyers and among sellers in markets.

Content Standard E.4: Students will understand the growth, stability, and interdependence within a national economy. This includes the current and future state of the economy using economic indicators and monetary and fiscal policies for a variety of economic conditions.

Content Standard E.5: Students will understand the growth, stability, and interdependence within a global economy. This includes ways in which trade leads to increased economic interdependence.

- **E.5.ECON.1:** Analyze the role of comparative advantage in trade and global markets using available data and a variety of sources.

