Analyze the benefits of and barriers to voluntary trade in Europe.

The European Union lets member nations trade freely, and many share one currency (the euro), no exchanging money at every border.

Name: _____ Date: _____

OBJECTIVE

Analyze the benefits of and barriers to voluntary trade in Europe.

What this standard covers	Your notes
Explain how specialization encourages trade between countries.	
Compare and contrast different types of trade barriers such as tariffs, quotas, and embargoes.	
Explain why international trade requires a system for exchanging currencies between nations.	
Describe the purpose of the European Union and the relationship between member nations.	

IN PLAIN WORDS

The European Union lets member nations trade freely, and many share one currency (the euro), no exchanging money at every border.

Trade tool	What it does
Tariff	A tax on an imported good.
Quota	A limit on how much of a good can be imported.
Embargo	A total ban on trade with a country.

the European Union specializes in certain goods and trades for the rest. Name one thing you think the European Union might specialize in, and explain why specializing, instead of making everything itself, can make both trading partners better off.