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| Europe Economy 2-4 on-l | | | |
| Special-  ization | We produce what we are good at producing. Italy specializes in grapes. Russia specializes in wheat. | Currency | The money system of a country is its currency. The US uses dollars. Russia uses rubles. The UK uses pounds. |
| Trade | We sell our products to other countries, and we buy their products. Trade benefits consumers: choice goes up; price goes down. Trade benefits workers: we sell our products to more consumers in other countries | Currency Exchange | Consumers in the US can’t buy Russian products using dollars. We have to exchange our dollars for Russian rubles.  Banks are happy to help! Banks will exchange dollars for the equivalent amount of rubles, but banks charge a fee for this service. One US dollar is equal to 58 rubles. And the bank charges 3% to exchange.  If a US bread company buys one million dollars worth of Russian wheat, the bank charges $30,000 to exchange the currency. |
| Trade Barriers | Sometimes our workers lose their jobs to foreign competition. So legislators create laws to limit imports and protect our jobs. |
| Tariff | A tax or fine on an imported good to raise the price. | European  Union | The European Union is the integration of the economies of 28 member nations. Starting after World War II, countries in Europe decided to cooperate to help their economies grow. Now the EU is the world’s second-largest economy: the GDP of the EU is $20 trillion. Around 561 million people live in the EU. Countries like France and Germany are still separate countries; their economies are combined in the EU. |
| Quota | A limit on the number of an imported good. |
| Embargo | A total ban on trade to pressure or punish a country. |
| Literacy  Rate | The percent of people who can read at a fourth-grade level. |
| Standard of Living | A general sense of how rich or poor a country is. | Euro-  zone | Nineteen of the 28 countries in the EU have decided to use the same currency, called the **euro.** These 19 eurozone countries can trade without having to pay bank fees. |
| Human Capital | The skill and health of workers; the potential of workers. |
| Capital Goods | Or Physical Capital. Equipment for business: roads, factories, ports... | Brexit | The United Kingdom joined the European Union in 1973. The UK decided not to join the eurozone; they wanted to control their own currency. In 2016, some people in the UK felt that membership in the EU was **de**creasing their economic opportunities. They said that **Br**itain should **ex**it: **Brexit!**  Most economic experts thought that membership in the EU helped the UK economy. The question was put to the people: 52% voted for Brexit. Now the EU and the UK must work out the details of the breakup--and that will take many years. |
| Gross Domestic Product | The size of an economy. *The total value of all goods and services produced in one country in one year.* |
| Per Capita  G D P | A tool to compare economies.  *The total value of all goods and services produced in one country in one year* ***divided by*** *the population.* |
| Entre-  preneur | A person who has an idea and starts a business |

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| Europe Economy N 2-4 on-l  D C | |
| Tax on an imported good: | My imaginary European country, Fredonia, is thinking about joining the European Union. Why? What are the benefits?   |  | | --- | |  | |  | |  | |  | |  | |
| Person who starts a business: |
| Tool to compare economies: |
| Free Trade:  Choices go  Prices go |
| Specialization: | My imaginary country in the European Union, Fredonia, is thinking about joining the eurozone.. Why? What are the benefits?   |  | | --- | |  | |  | |  | |  | |  | |
| Limit on number of an import: |
| Tool to measure size of economy: |
| Number of countries in EU: |
| Number of countries that use the euro as their common currency: | I think the UK should leave the EU. I’m for Brexit. We don’t want a bunch of Europeans managing our economy. Explain to me why free trade is good for our country.   |  | | --- | |  | |  | |  | |  | |  | |
| Population of European Union: |
| GDP of European Union: |
| Currency of Russia: |
| Germany is in the eurozone.  Currency of Germany: | The US gross domestic product is $ 18.5 trillion. Which has a bigger economy, the US or the EU? |
| Name for 2016 decision for the UK to leave the EU: | The UK GDP grew at a rate of 1.8% last year.  The EU GDP grew at a rate of 1.9% last year.  Which economy is doing better? |