

6 Trade and specialisation — Part 1

— Answers

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Work through these after trying the questions yourself.

6.1 Goods (and services) a country sells abroad.

6.2 Goods (and services) a country buys from abroad.

6.3 When each country makes what it is best at.

6.4 More goods for everyone, lower prices, or greater variety (any one).

6.5 A tax on imports.

6.6 Benefit: the tariff makes imported cars dearer, so home-made cars sell more — protecting local jobs and industry. **Drawback:** customers pay **higher prices** and have **less choice** of cars.