Bikes Across Borders

Trace how trade links and competition shape a shared market

9-12.EC.10 "Analyze global economic interdependence and competition."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline two links between countries, circle one detail showing competition, and number two effects of the battery shutdown in the order they could occur.

One Bike, Many Economies

1. Imagine a company that sells electric bicycles in the United States. It buys motors from factories in China and frames from factories in Vietnam. Workers in Mexico assemble the parts, and U.S. stores sell the finished bikes. This arrangement lets each business focus on work it can do efficiently, but it also links their fortunes. A Vietnamese frame maker needs orders from the assembler in Mexico. That assembler needs motors to keep its workers busy. U.S. buyers depend on all three steps to find bikes in stock. No single country produces this bike alone.

2. Now imagine another company selling finished electric bicycles made in China to the same U.S. customers. The two sellers compete on price, quality, and delivery time. If the Mexican assembler finds a faster way to build bikes, its U.S. seller might lower prices and win customers. That gain could reduce orders for the rival seller, while giving shoppers more choices. Competition does not erase interdependence: both sellers may buy batteries from the same supplier in South Korea. A battery shortage there could raise costs for both, even though the companies are trying to outsell each other.

3. Suppose a storm closes the South Korean battery factory for a month. Both bicycle sellers have fewer batteries and may charge higher prices or delay deliveries. U.S. shoppers could wait or buy another form of transportation. The Mexican assembler could seek a second battery supplier, but testing a new battery for safety takes time and money. Buying from two suppliers later might make future shutdowns less damaging, though it could raise everyday costs. A problem in one country can spread through trade links, while competing firms choose different ways to manage the same risk.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does the Mexican assembler depend on businesses in China and Vietnam, and how does it depend on U.S. buyers?

2. Why could a battery shortage in South Korea affect both bicycle sellers, even though they compete?

3. If the Mexican assembler builds bikes faster, how might that affect the rival seller and U.S. shoppers?

4. What is one possible benefit and one possible cost of adding a second battery supplier?

3 YOUR TURN

Your own words

Invent a supply chain for a reusable water bottle using three countries for materials, parts, and assembly, then choose a sales market. In 4 to 5 sentences, explain how one disruption affects at least two participants and how competition with another seller might influence a response.

ANSWER KEY

Bikes Across Borders

HIGH SCHOOL · 9-12.EC.10

PART 1 · READ AND MARK

Underline two links between countries, circle one detail showing competition, and number two effects of the battery shutdown in the order they could occur. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does the Mexican assembler depend on businesses in China and Vietnam, and how does it depend on U.S. buyers?	**It needs motors from China and frames from Vietnam to build bikes. It also needs U.S. buyers to purchase the finished bikes.**
2	Why could a battery shortage in South Korea affect both bicycle sellers, even though they compete?	**Both sellers may buy batteries from the same South Korean supplier, so a shortage could raise costs for both.**
3	If the Mexican assembler builds bikes faster, how might that affect the rival seller and U.S. shoppers?	**Its U.S. seller might lower prices and win customers, reducing the rival's orders while giving shoppers more choices.**
4	What is one possible benefit and one possible cost of adding a second battery supplier?	**A second supplier could reduce the damage from a future shutdown, but testing batteries takes time and money, and using two suppliers could raise everyday costs.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A company buys steel from India and caps from Thailand, then assembles reusable bottles in Canada for U.S. stores. If a flood interrupts cap production in Thailand, the Canadian factory cannot finish as many bottles. U.S. stores may run out, and the Indian steel supplier may receive smaller orders. A rival bottle seller with another cap source could attract customers by keeping shelves stocked. To compete, the Canadian assembler might add a second cap supplier, even if that raises its costs.

Accept other responses grounded in the passage's stated relationships. For Part 3, look for a plausible cross-border chain, effects on at least two participants, and a response linked to competition.