The Tariff Trade-Off

Use market data to weigh a trade policy

AWH.P.2.4 "Identify the principles of economic systems and develop an understanding of the benefits of a market system in local, national, and global settings. Evaluate economic data from charts and graphs, noting trends and making predictions..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the sentence that describes the data trend, and circle the sentence that explains why the table cannot prove what caused it. Write 1 beside an intended benefit of the tariff and 2 beside a possible unintended cost.

Solar Panels in Bayland

1. In a fictional country called Bayland, homeowners buy solar panels from local installers. Installers choose between panels made at home and panels imported from abroad. Prices and customer choices help decide what firms produce, a basic feature of a market system. Competition can give buyers more choices and push sellers to lower prices.

2. In 2024, Bayland's government placed a tariff, a tax on imported panels, to support domestic factories. The table shows imports and average panel prices in Bayland. Domestic factories might gain customers, but local installers could face higher costs. Foreign panel makers might lose sales. Other forces, such as changes in production costs, could also affect prices.

BAYLAND PANEL IMPORTS AND AVERAGE PRICES (HYPOTHETICAL)

Year	Imported panels (thousands)	Average price per panel ($)
2022	40	200
2023	50	180
2024	35	230
2025	30	240

3. From 2023 to 2025, imports fell and average prices rose. The timing is consistent with the tariff raising import costs, but the table alone cannot prove why prices changed. If the pattern continues, installers may charge homeowners more in 2026. Removing the tariff could lower costs for buyers, while keeping it could protect factory jobs.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did imports and average panel prices change from 2023 to 2025? Use numbers from the table.

2. How can competition in Bayland's panel market benefit buyers?

3. Identify one intended national benefit and one possible unintended local or global cost of the tariff.

4. Does the table prove that the tariff caused prices to rise? Explain using the passage.

3 YOUR TURN

Your own words

Write one paragraph recommending whether Bayland should keep, remove, or reduce its tariff. Use two numbers from the table, predict one local and one global effect of your choice, and explain a trade-off and why the numbers cannot prove the tariff caused the changes.

ANSWER KEY

The Tariff Trade-Off

HIGH SCHOOL · AWH.P.2.4

PART 1 · READ AND MARK

Underline the sentence that describes the data trend, and circle the sentence that explains why the table cannot prove what caused it. Write 1 beside an intended benefit of the tariff and 2 beside a possible unintended cost. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did imports and average panel prices change from 2023 to 2025? Use numbers from the table.	**Imports fell from 50,000 to 30,000 panels, while the average price rose from $180 to $240 per panel.**
2	How can competition in Bayland's panel market benefit buyers?	**Competition can give buyers more panel choices and push sellers to lower prices.**
3	Identify one intended national benefit and one possible unintended local or global cost of the tariff.	**Domestic factories might gain customers. Local installers could face higher costs, or foreign panel makers might lose sales.**
4	Does the table prove that the tariff caused prices to rise? Explain using the passage.	**No. Prices rose after the tariff began, but other forces, such as changes in production costs, could also have affected them.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Bayland should reduce its tariff to give buyers some relief while still supporting domestic factories. Imports dropped from 50,000 panels in 2023 to 30,000 in 2025, and the average price rose from $180 to $240 per panel. With a lower tariff, local installers might pay less for panels and offer homeowners lower prices. Foreign panel makers might also sell more to Bayland. The trade-off is that domestic factories could lose some customers. These numbers do not prove the tariff caused the changes because production costs or other forces could have affected prices.

Accept other defensible recommendations that use two accurate table values, predict both local and global effects, and address a trade-off and the limits of causal evidence.