The Bicycle Trade-Off

Compare the benefits and costs of trade barriers.

E.C.11.3 "Describe common trade barriers (e.g., tariffs and quotas) and evaluate arguments for and against their use."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Circle the two trade barriers named in the passage. Underline two arguments for using them, and number two arguments against them so you can compare the trade-offs.

Should Bayland Protect Its Bike Factories?

1 In the fictional country of Bayland, families buy bicycles made at home and abroad. Imported bikes often cost less, so a group of local factories asks the government for protection. A tariff would add a tax to each imported bike. Importers might raise prices to cover that tax, making local bikes more competitive. A quota works differently: it limits how many imported bikes can enter during a set period. If the quota is filled, shops cannot import additional bikes until the next period. Either barrier can shift some purchases toward domestic factories, but neither guarantees that those factories will sell more.

2 Factory owners argue that protection could keep skilled workers employed while local firms invest in better equipment. If a new bicycle company needs time to improve its production, a temporary barrier might help it compete later without help. Workers whose jobs are at risk may support that argument. A tariff also brings money to the government when imports still enter; a simple quota does not automatically do so. Supporters must still ask whether the factories will use the breathing room to improve, rather than rely on protection year after year.

3 Bike shops and riders offer a different view. If imported bikes become more expensive or harder to find, buyers may pay more or have fewer choices. Shops that sell imported models could lose sales, and families with tight budgets would feel higher prices most sharply. Other countries might respond with barriers on Bayland's exports, which could hurt unrelated workers. A policy choice therefore depends on evidence: How many jobs might be protected, and at what cost to shoppers and other businesses? A narrow, time-limited barrier could reduce some risks, but it would not erase the trade-offs.

2 ANSWER WITH EVIDENCE

Use the passage

1. How would a tariff and a quota affect imported bike sales in different ways?

2. What argument supports a temporary barrier for a new bike company? What would the company need to do for that argument to hold up?

3. A leader wants to collect government money while still allowing imported bikes. Which barrier better fits that goal, and what cost might riders face?

4. A leader claims that protecting bike factory jobs helps every worker in Bayland. Use two details from the passage to challenge that claim.

3 YOUR TURN

Your own words

Bayland is considering a two-year quota on imported winter coats to help new local coat makers. Write a short recommendation to adopt, change, or reject it. Explain how the quota works, give one reason for and one against it, and identify evidence you would seek before deciding.

ANSWER KEY

The Bicycle Trade-Off

PART 1 · READ AND MARK

Circle the two trade barriers named in the passage. Underline two arguments for using them, and number two arguments against them so you can compare the trade-offs. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How would a tariff and a quota affect imported bike sales in different ways?	**A tariff taxes each imported bike and might raise its price. A quota limits the number that can enter during a set period.**
2	What argument supports a temporary barrier for a new bike company? What would the company need to do for that argument to hold up?	**The barrier could give the company time to improve production and compete later without help. The company would need to use that time to improve rather than depend on continued protection.**
3	A leader wants to collect government money while still allowing imported bikes. Which barrier better fits that goal, and what cost might riders face?	**A tariff fits better because it brings in money when imports enter. Importers might pass the tax on to riders through higher prices.**
4	A leader claims that protecting bike factory jobs helps every worker in Bayland. Use two details from the passage to challenge that claim.	**Shops that sell imported bikes could lose sales. Barriers imposed by other countries on Bayland's exports could also hurt unrelated workers.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would change the proposed quota by requiring a review after one year. The quota would limit the number of imported coats, which could give new local makers time to improve their products and hire workers. However, fewer imported coats might mean higher prices for families and fewer sales for shops that carry them. Before extending the limit, I would compare changes in local jobs and coat prices to see whether the benefits justify the costs.

Accept reasoned recommendations to adopt, change, or reject the quota. Responses should accurately describe a quota, weigh a benefit against a cost, and name relevant evidence.