Bikes Across Borders

Use sales data to weigh a trade policy.

E.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 a sentence that shows how a market works, circle the government's policy, and label one possible intended effect 1 and one possible unintended effect 2.

A Fee on Imported Bicycles

1 In the fictional country of Bayland, city bike shops sell locally assembled bicycles alongside imported models. Buyers compare prices and quality, and competing sellers adjust what they offer. In this market system, choices by buyers and sellers help determine what gets made and sold. Shops also order replacement parts from suppliers abroad.

2 Bayland's government wants more bicycles built at home. At the start of Year 3, it adds a fee to each imported bicycle. The fee may give domestic factories an advantage, but it can also raise prices for shoppers. The table shows invented annual sales in Bayland, in thousands of bicycles, before and after the fee.

BAYLAND BICYCLE SALES, THOUSANDS OF BICYCLES

Year	Domestic sales	Imported sales	Total sales
1	40	60	100
2	42	63	105
3	50	40	90
4	55	40	95

3 Local bike shops depend on sales to pay workers, while national factories depend on orders to keep production running. Overseas suppliers also rely on Bayland's purchases. Some shops report customers delaying purchases when prices rise. The table cannot prove the fee alone caused every change; changing tastes or production costs might also affect sales.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do buyers and competing sellers in Bayland show a principle of a market system? Use one detail from the passage.

2. From Year 2 to Year 3, how did domestic sales and total sales change? Give both changes in bicycles.

3. What evidence suggests the fee helped meet its goal, and what possible cost did local bike shops face?

4. If the Year 3 to Year 4 trend continued for one more year, what would domestic and total sales be in Year 5? Why is your prediction uncertain?

3 YOUR TURN

Your own words

Propose a different policy Bayland could use to support domestic bicycle production. Cite one number from the table and one passage detail, then predict a national benefit and a possible local or global unintended effect.

Bikes Across Borders

PART 1 · READ AND MARK

Underline a sentence that shows how a market works, circle the government's policy, and label one possible intended effect 1 and one possible unintended effect 2. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do buyers and competing sellers in Bayland show a principle of a market system? Use one detail from the passage.	**Buyers compare prices and quality, while competing sellers adjust what they offer. Their choices help determine what is sold.**
2	From Year 2 to Year 3, how did domestic sales and total sales change? Give both changes in bicycles.	**Domestic sales rose by 8,000 bicycles, from 42,000 to 50,000. Total sales fell by 15,000, from 105,000 to 90,000.**
3	What evidence suggests the fee helped meet its goal, and what possible cost did local bike shops face?	**Domestic sales rose after the fee began, from 42,000 in Year 2 to 50,000 in Year 3. Shops faced customers delaying purchases when prices rose.**
4	If the Year 3 to Year 4 trend continued for one more year, what would domestic and total sales be in Year 5? Why is your prediction uncertain?	**Domestic sales would be 60,000 and total sales would be 100,000. The trend might change because tastes or production costs can affect sales.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Bayland could offer low-interest loans to domestic bicycle factories instead of charging a fee on imports. Domestic sales reached 55,000 in Year 4, suggesting factories have customers. Loans could help factories expand without directly raising import prices. However, if domestic bikes replace imports, overseas sellers could lose Bayland customers.

Accept plausible alternative policies supported by an accurate table number and a relevant passage detail. Predictions should distinguish an intended national benefit from a possible unintended local or global effect.