Bikes Across Borders

Use market data to weigh the effects of a tariff.

USG.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 one example of market choice, circle the government policy, and number two different effects of that policy in the passage.

A Tax on Imported Bikes

(1) In the fictional country of Portmere, bike shops sell models made at home and abroad. Shoppers choose among prices, features, and repair services, while businesses compete for their purchases. A shop near the harbor buys imported bikes for delivery riders; a factory inland sells bikes across the country. This market gives riders choices and connects Portmere sellers with overseas producers.

(2) In 2025, Portmere's government placed a tariff, a tax on imported bikes, to help its factories compete and protect factory jobs. Importers paid the tax when bikes entered the country, and shops could pass some costs to buyers. The table shows average shop prices and bike sales before and after the tariff. Other changes could also affect these numbers.

PORTMERE BICYCLE MARKET (FICTIONAL DATA)

Year	Tariff?	Average price per bike	Portmere-made sales, thousands	Imported sales, thousands
2024	No	$300	40	80
2025	Yes	$360	52	65
2026	Yes	$380	60	55

(3) A local delivery rider worries about higher bike prices, while a factory manager welcomes more customers. Foreign producers may lose sales when Portmere shops order fewer imported bikes. Factory sales can grow without proving that factory employment grew, and a price increase alone cannot prove the tariff caused it. Officials must weigh jobs against consumer costs and effects abroad.

2 ANSWER WITH EVIDENCE

Use the passage

1. How does competition benefit Portmere riders and connect Portmere to a global market?

2. Describe the trend in imported-bike sales from 2024 to 2026. If it continues, what would you predict for 2027?

3. Use table evidence to argue whether the tariff appears to help Portmere factories. What can the table not prove?

4. Compare a possible unintended effect on Portmere riders with one on foreign producers. Use evidence from the passage and table.

3 YOUR TURN

Your own words

Propose a policy other than a bike tariff to support Portmere's bike workers. In 4 to 5 sentences, use two numbers from the table, explain one likely benefit and one possible unintended cost, and describe how foreign sellers could be affected.

ANSWER KEY

Bikes Across Borders

HIGH SCHOOL · USG.P.2.4

PART 1 · READ AND MARK

Underline one example of market choice, circle the government policy, and number two different effects of that policy in the passage. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How does competition benefit Portmere riders and connect Portmere to a global market?	**Competition gives riders a choice of prices, features, and services. Imported bikes connect Portmere shops and buyers with overseas producers.**
2	Describe the trend in imported-bike sales from 2024 to 2026. If it continues, what would you predict for 2027?	**Imported sales fell from 80 thousand to 65 thousand to 55 thousand bikes. If the trend continues, 2027 sales will be below 55 thousand.**
3	Use table evidence to argue whether the tariff appears to help Portmere factories. What can the table not prove?	**Portmere-made sales rose from 40 thousand bikes in 2024 to 60 thousand in 2026, which suggests factories benefited. The table cannot prove that factory jobs increased or that the tariff caused the rise.**
4	Compare a possible unintended effect on Portmere riders with one on foreign producers. Use evidence from the passage and table.	**Riders may face higher costs: the average bike price rose from $300 to $380. Foreign producers may lose Portmere customers: imported sales fell from 80 thousand to 55 thousand bikes.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Portmere should fund training for bike-factory workers instead of charging a tariff. Sales of Portmere-made bikes rose from 40 thousand in 2024 to 60 thousand in 2026, so factories may need more skilled workers. Training could help factories compete while leaving imported bikes available to buyers. Taxpayers would pay for the program, even if some trainees did not find jobs. Foreign sellers could still compete, although stronger Portmere factories might take some of their customers.

Accept reasonable conditional predictions and policy arguments supported by the fictional data. Students should not claim that the table proves the tariff changed employment or caused every price and sales change.