

Texas Market Links

Trace how Texas businesses connect to buyers, workers, and competitors beyond the state.

7.12 "Economics. The student understands the interdependence of the Texas economy with the United States and the world. The student is expected to: explain the impact of national and international markets on the production of goods and services..."

NAME _____

DATE _____

1 READ AND MARK _____ Read it twice

YOUR JOB Underline statements that show Texas businesses connected to national or international markets. In the margin, number one example each of supply and demand, profit, world competition, and an industry effect on Texas.

Beyond the Texas Border

- ① Texas producers do not sell only to nearby customers. A cotton grower may ship fiber to a mill in another state or another country, while Texas ranchers sell beef across the United States. Oil and natural gas companies also depend on buyers far beyond Texas. When national or international demand rises, businesses may produce more. When demand falls, they may reduce production. Weather, shipping costs, and prices in world markets can also affect how much Texas farms and energy companies earn.
- ② In a free enterprise system, businesses decide what to make and consumers choose what to buy. Supply is the amount sellers offer, and demand is the amount buyers want. If a freeze harms an orange crop, fewer oranges may be available, and prices can rise if buyers still want them. Businesses seek profit, the money left after costs are paid. World competition matters because companies in other places may offer similar products at lower prices, pushing Texas businesses to improve efficiency or develop new products.
- ③ Texas aerospace, medical, and computer technology industries connect local workers to larger markets. Aerospace firms build parts and services for aircraft and space projects that may involve customers or partners across the nation. Medical companies can create devices used by hospitals in many states and countries. Computer technology businesses may sell software or equipment worldwide. These industries bring jobs and income to Texas communities. They also compete for skilled workers, investment, and customers, so changes in national and international markets can influence local business decisions.

2 ANSWER WITH EVIDENCE _____ Use the passage

1 How could rising international demand for Texas oil or natural gas change a company's production decision?

2 Name two factors from the passage that can affect how much Texas farms and energy companies earn.

3 How can world competition affect a Texas business that wants to earn a profit?

4 Choose one industry named in the passage. Explain how it can affect a Texas community and markets beyond Texas.

3 YOUR TURN _____ Your own words

Imagine a Texas computer technology company that sells software to customers in Texas, other states, and other countries. Write four sentences explaining how a change in demand and competition could affect its production, profit, and local workers.

PART 1 • READ AND MARK

Underline statements that show Texas businesses connected to national or international markets. In the margin, number one example each of supply and demand, profit, world competition, and an industry effect on Texas. Accept any marking that follows this job and points at the right text.

PART 2 • ANSWERS

#	QUESTION	ANSWER
1	How could rising international demand for Texas oil or natural gas change a company's production decision?	The company may produce more because more buyers want the product.
2	Name two factors from the passage that can affect how much Texas farms and energy companies earn.	Answers include weather, shipping costs, and prices in world markets.
3	How can world competition affect a Texas business that wants to earn a profit?	Companies elsewhere may sell similar products at lower prices. A Texas business may need to improve efficiency or create new products to compete and protect profit.
4	Choose one industry named in the passage. Explain how it can affect a Texas community and markets beyond Texas.	Answers will vary. For example, a medical company can provide jobs and income in a Texas community while selling devices to hospitals in other states and countries.

PART 3 • YOUR TURN (SAMPLE ANSWER)

A Texas software company gets many new orders from schools in several countries. It hires more local workers and produces more software to meet the higher demand. A company in another country begins selling similar software for less money. The Texas company may lower costs or add useful features so it can keep customers and earn a profit.

Accept realistic four-sentence scenarios that connect demand to production and local workers, then explain how competition can affect profit or business choices. Students may describe any reasonable response to competition, such as improving features, lowering costs, or changing prices.