

Classes begins at:  
1st Block 8:35am  
2nd Block 10:05am

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**Today's Topic:**  
**Canadian Economy**



**Welcome to Social Studies!**

Georgia Cyber Academy's mission is to provide an exemplary individualized and engaging educational experience for all students.

**Learning Target:** I can describe how the Canadian economy works.

 While you wait: Work in USA TP on your September Group Assignment of in Study Island on your 6.1 Pathway Blue Ribbons

**Ms. Moody**

**Georgia Performance/Common Core Standards**

SS6E2 I can give examples of how voluntary trade benefits buyers and sellers in Latin America and the Caribbean and Canada.

b. Compare and contrast different types of trade barriers, such as tariffs, quotas, and embargos.

c. Explain the functions of the North American Free Trade Agreement (NAFTA).




**ECONOMY BASICS**

**What is an Economy?**

- Describes how a country makes money.
  - What kinds of jobs do people have?
  - Do citizens have control of how they make and save money?
  - What kinds of goods and services does the country produce and sell?
  - Who are the countries trade partners?
  - What hinders trade? What helps trade?



<b>Free Market</b>	<b>Command</b>
<ul style="list-style-type: none"> <li>• Private ownership of property/resources</li> <li>• Profit</li> <li>• Competition</li> <li>• Consumer sovereignty</li> <li>• Individual choice</li> </ul>	<ul style="list-style-type: none"> <li>• Central ownership of property/resources</li> <li>• Centrally planned economy</li> <li>• Lack of consumer choice</li> <li>• <b>Example:</b> Cuba</li> </ul>

**Characteristics of Economic Systems**

<b>Mixed Economy</b>	<b>Traditional</b>
<ul style="list-style-type: none"> <li>• Individuals and businesses as decision makers for the private sector</li> <li>• Government as decision maker for the public sector</li> <li>• A greater government role than in a free market economy</li> <li>• Most common economic system today</li> <li>• <b>Example:</b> Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation of resources is based on rituals, habits, or customs</li> <li>• Roles are defined by family</li> <li>• People work together for the common good</li> <li>• Little individual choice</li> </ul>

**Characteristics of Economic Systems**

There are four factors of production, and these factors must be present for a producer to meet the needs and wants of consumers.

- **Land:** natural resources and property
- **Labor:** work done by people
- **Capital:** equipment like tools and machinery, and human capital (knowledge)
- **Entrepreneurship:** the managerial skills to organize above factors

## 4 Factors of Production

John wants to go back to school. After talking with his manager, John finds out that his company will help pay for his tuition. What is the benefit to the company for paying for his school?

- A John will leave and save the company money.
- B John will become the CEO of the company.
- C John will be a more productive employee.
- D John will be a less productive employee.



## Brain Check

**Economic Terms**

- An **entrepreneur** is someone who organizes the other factors of production to begin a business.
- In doing this, the entrepreneur takes on financial risks in the hope of making a profit.
- Governments can encourage entrepreneurs by reducing tax rates on capital goods or by allowing tax exemptions, which makes it easier for individuals to start a business.



Can you match these famous entrepreneurs to his product?



Microsoft



Apple



Disney

**Economic Terms**

- Economic demand comes in two forms: needs and wants.
- Economic **needs** are materials that people cannot live without—things such as food, water, and shelter.
- Economic **wants** are anything else we desire, which includes entertainment and other luxuries.
- **Producers** must meet the needs or wants of consumers if they hope to make a profit.

Type in the Chatbox: Examples of Specific Wants

**Producers must answer 3 economic questions for their product to succeed.**

1. What to produce?
2. How to produce?
3. For whom to produce?

## 3 Economic Questions

- **Imports and Exports:** are traded between different countries. Imports are goods that a country buys from another country. Exports are goods that a country sells to another country.
- This need for a good is sometimes called **scarcity**.
- **Specialization:** focusing on producing specific goods or services. Specialization encourages trade between countries because it allows different countries to focus on different products.



## Aids to Trade

## Aids to Trade

- **Currency:** a type of money used in a country. Different countries have different currencies. A system is needed for exchanging money between nations. This system is called an **exchange rate**, and it determines the value between different currencies.
- **Interdependence:** the situation when trade makes communities rely on each other for resources or goods. When nations rely on each other for different goods, it encourages trade between those nations.



## North American Free Trade Agreement

- **NAFTA** (a.k.a.)
- The United States, Canada, and Mexico participate in free trade
- Goods flow freely between these countries, most trade restrictions and barriers have been removed.



## Aids to Trade

6SSE2c. Explain the functions of the North American Free Trade Agreement (NAFTA).



How does the North American Free Trade Agreement (NAFTA) impact Canada's economy and trade?

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Type your answer in the chat box/

## Let's hear from you!

6SSE2c. Explain the functions of the North American Free Trade Agreement (NAFTA).

## Trade Barriers

An obstacle, or something that makes trade difficult. Trade Barriers can be human-made, or natural



**Quota**- A *Limit* on the amount of goods that can be imported from another country.



**Tariff** - a *Tax* on Imported Goods (makes them more expensive & makes it less likely consumers will buy



**Embargo**- A total *Ban* on trade with a country - Usually motivated by politics to hurt another country economically.

6SSE2b Compare & contrast different types of trade barriers, such as tariffs, quotas, & embargos.



How do trade barriers (tariffs, quotas, and embargos) hinder voluntary trade from occurring between countries?

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Type your answer in the chat box/

## Let's hear from you!

6SSE2b Compare & contrast different types of trade barriers, such as tariffs, quotas, & embargos.

The North American Free Trade Agreement (NAFTA) is an agreement that called off most tariffs (taxes on imported goods) on trades between three countries. These countries are the United States, Mexico, and

- A Cuba.
- B Canada.
- C Guatemala.
- D Brazil.



## Brain Check



## CANADA'S ECONOMIC SYSTEM

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- People are free to buy, sell, and produce whatever they want, with limited government involvement
- Consists of BUSINESS OWNERS and CONSUMERS
- Individuals can invest in businesses or save their money in a savings account
- *Government provides health care for citizens*
- *Government regulates broadcasting, transport, and power companies.*



## MIXED Economy

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### How do Canadians make money?



- **Atlantic** – Overfishing has weakened fishing industry. Most people work in manufacturing, mining and tourism
- **Central and Eastern** – (Quebec and Ontario area) Paper industry, hydroelectric power
  - Businesses are reluctant to invest in Quebec due to political uncertainty
  - Ontario – Greatest wealth in Canada. Agriculture, manufacturing, forestry and mining
- **The West** – Farming and ranching, British Columbia is the largest producer of newsprint (newspaper paper) in the world; also mining, fishing, and tourism
- **The North** – The territories. Main resources are minerals.




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Which type of investment **most likely** increases human capital?

- A bonds
- B mutual funds
- C property
- D education



## Brain Check

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Which type of economy exists in Canada?

- A mixed economy
- B command economy
- C market economy
- D traditional economy



## Brain Check

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### Ticket out the door!



19621984

- Visit this website to watch a video summary of trade barriers, then take the quiz. When you are finished share your quiz results with me in the chat box.

19621984

## Thank you for attending today!

## You are free to logout

Have a question?? Type it in the Chatbox...

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