Globalization Worksheet

Grade 12 · trade and economics



Name: Date: Score: / 26

One product, many borders

Globalization is the growing integration of economies, cultures and communications across borders. The clearest way to see it is to follow one object: a phone designed in one country, built from components made in three more, assembled in a fifth, shipped through a sixth and sold in a hundred.

The economic argument for arranging the world this way is **comparative advantage**: if each place specializes in what it produces relatively cheaply and trades for the rest, total output rises. The evidence that output did rise is strong, and so is the evidence that hundreds of millions of people left extreme poverty as manufacturing spread.

The argument against is not that the gains are imaginary but that they are distributed unevenly and that the system is fragile. Manufacturing regions in wealthy countries lost work faster than replacements appeared. Firms can relocate to wherever standards are lowest. And a shock in one country now reaches the whole chain within weeks.

Part A — Vocabulary match each term to its meaning (8 marks)

1. Globalization	_____	A. Growing integration of economies, cultures and communications across borders
2. Supply chain	_____	B. A group of states that lower trade barriers among themselves
3. Outsourcing	_____	C. Competition between states to attract investment by cutting standards
4. Comparative advantage	_____	D. The sequence of places and firms that turn raw materials into a sold product
5. Tariff	_____	E. Contracting work to an outside firm, often in another country
6. Multinational corporation	_____	F. A firm that owns or controls operations in more than one country
7. Trade bloc	_____	G. A tax charged on imported goods
8. Race to the bottom	_____	H. The idea that a country gains by specializing in what it produces relatively cheaply

Part B — Fill in the blanks (6 marks)

1. A tax on imported goods is a _____.

2. Contracting work to an outside firm abroad is _____.

3. A group of states lowering barriers among themselves is a trade _____.

4. The idea that a country should specialize in what it produces relatively cheaply is comparative _____.

5. A firm with operations in several countries is a _____ corporation.

6. Competition to attract investment by cutting standards is a race to the _____.

Part C — Sort the arguments write F for a point in favour, A for a point against (6 marks)

Claim about globalization	F or A
Hundreds of millions of people moved out of extreme poverty as trade and manufacturing spread	
Manufacturing regions in wealthy countries lost jobs faster than new ones appeared	
Consumer goods became far cheaper relative to incomes	
Firms can move production to wherever standards and wages are lowest	
Ideas, medicine and technology spread much faster across borders	
A shock in one country now transmits through the whole system within weeks	

Part D — Trace the chain use the diagram (3 marks)

1. Name three stages in the diagram that could each take place in a different country.

2. Give one advantage and one risk to a firm of splitting production this way.

Part E — Think it through (3 marks)

1. A government raises tariffs to protect a domestic industry. Name one group that gains and one that loses, and say why.

Globalization Worksheet — Answer Key

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Part A — Vocabulary

1. **Globalization** → A
2. **Supply chain** → D
3. **Outsourcing** → E
4. **Comparative advantage** → H
5. **Tariff** → G
6. **Multinational corporation** → F
7. **Trade bloc** → B
8. **Race to the bottom** → C

Part B — Fill in the blanks

1. **tariff**
2. **outsourcing**
3. **bloc**
4. **advantage**
5. **multinational**
6. **bottom**

Part C — Sort the arguments

1. **F** — Hundreds of millions of people moved out of extreme poverty as trade and manufacturing spread
2. **A** — Manufacturing regions in wealthy countries lost jobs faster than new ones appeared
3. **F** — Consumer goods became far cheaper relative to incomes
4. **A** — Firms can move production to wherever standards and wages are lowest
5. **F** — Ideas, medicine and technology spread much faster across borders
6. **A** — A shock in one country now transmits through the whole system within weeks

Part D — Trace the chain

1. **Any three of design, components, assembly, shipping, retail and recycling.**
   The point of the diagram is that every stage is separable, so any three answers are correct.
2. **Advantage: each stage happens wherever it is cheapest or best. Risk: one broken link stops everything.**
   Accept any accurate pairing. Lower costs, access to specialist suppliers and round-the-clock production are all valid advantages; a port closure, a tariff change, a political dispute or a single failed supplier are all valid risks. Both halves needed.

Part E — Think it through

1. **The protected industry and its workers gain; consumers and exporters lose.**
   The domestic industry faces less competition and can hold higher prices, so it keeps output and jobs. Consumers pay those higher prices on every unit. Exporters lose twice: inputs cost more, and trading partners often retaliate against unrelated goods. Full marks need a named winner, a named loser and a mechanism for each.