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Date: _____

Period: _____

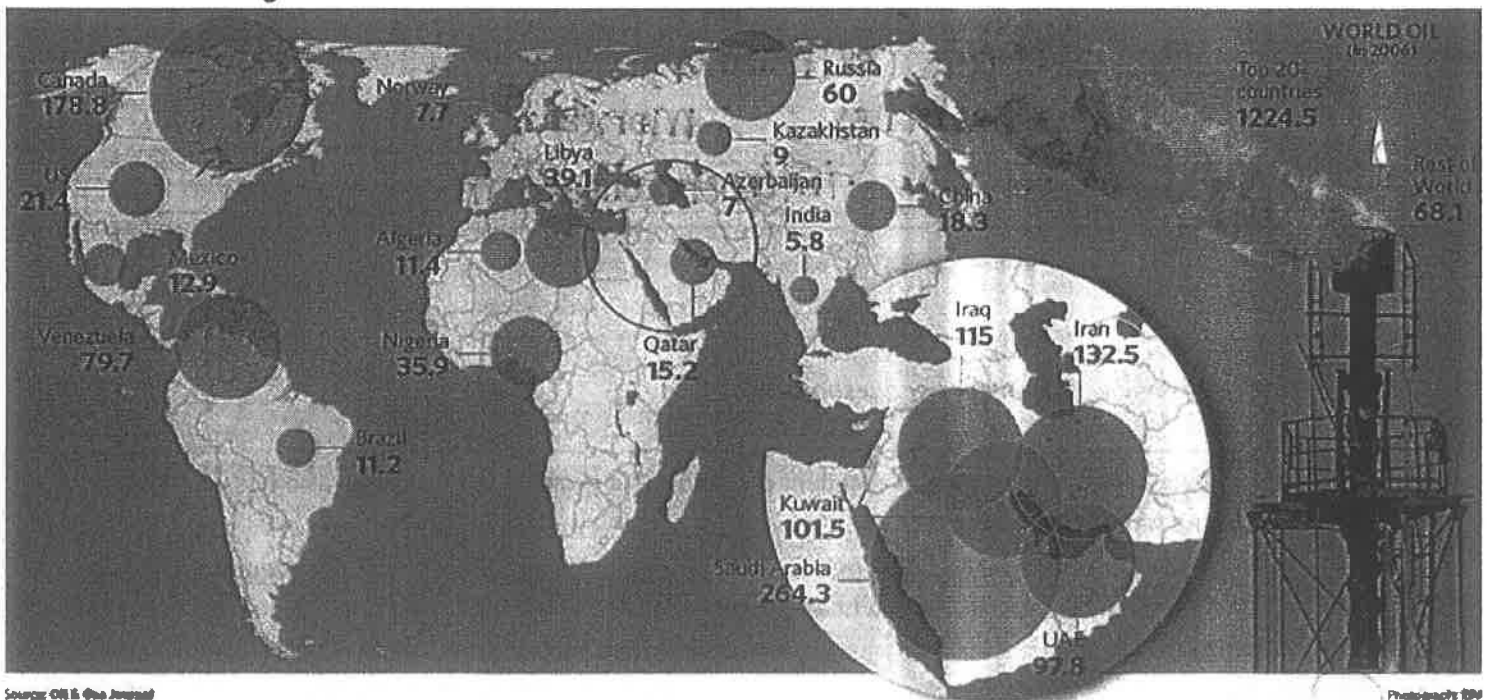
DIRECTIONS: Read the passages below and fill in questions as you go.

Types of Resources

The world's natural resources are unevenly distributed. For example, various countries have different climate, landforms, soils, and minerals. Other productive resources (human resources and capital) are also unequally distributed among countries.

The world's uneven distribution of natural resources can be best seen by looking at one of the most important of these—petroleum (crude oil). Petroleum and natural gas are not found everywhere. Many countries have almost no oil and gas. There are some countries that have a great abundance of oil. Look at the map below and find the four countries that have the most petroleum.

Country	Percentage of oil
Saudi Arabia	264.3
Canada	178.8
Iran	132.5
Iraq	115



Just like natural resources, human resources are also unevenly distributed. Some countries like China have large numbers of workers. These workers have low cost and are willing to work for low wages. Some countries have work forces that are highly skilled at specialized activities. The Swiss, for example, are skilled at making watches. In Japan, many workers have a strong educational background in fields like engineering.

Capital resources are resources that are created by people to help them produce other things. A tool, such as a hammer, is a capital resource. A hammer can make it easier to put together a piece of furniture or house. Tools, equipment, machines, and roads are all examples of capital resources.

Some of these countries may have more of these resources than others. It may be faster, easier and cheaper to produce goods in a country that already has good roads, telephone lines, and Internet connections than in a country that lacks these capital resources. Money is a capital resource as well. Some countries have more money to invest than other countries.

What are the three main resources that a country can have and what is an example of each? Fill in the chart below.

TYPE OF RESOURCE	EXAMPLE OF RESOURCE	EXAMPLE OF COUNTRIES
Human Resources	<ul style="list-style-type: none"> Level of education Specialized skill 	<ul style="list-style-type: none"> Switzerland China
Natural resources	This resource can include petroleum (crude oil), aluminum, coal, gold, and many others.	<ul style="list-style-type: none"> Saudi Arabia Canada Iran
Capital Resources	<ul style="list-style-type: none"> tools (ex. hammer) machines roads money internet connection 	<ul style="list-style-type: none"> United States

Specialization

Read the text in the box below to help answer questions 1-5

- Much of Brazil has a tropical climate and excellent conditions for growing coffee. Brazil also has wonderful hardwoods in the Amazon Rain Forest.
- Sweden has a relatively cold climate. It has rich deposits of iron ore and a long tradition of ship-building and steel manufacturing. The Swedes have also been excellent sailors for centuries and still play an important role in world shipping.
- Japan lacks many key resources, such as iron ore and petroleum. Japan's highly skilled workforce has helped it to become a leading manufacturing nation. Japan produces high tech tools like TVs and cameras. Although it lacks iron ore, it is a leading producer of steel and automobiles.
- Saudi Arabia is the world's leading exporter of petroleum. This valuable commodity (product) has allowed Saudi Arabia to invest millions of dollars in developing its economy.

1. What goods would you expect Brazil to export to Sweden?

Hardwoods for their ship building

2. What resources does Saudi Arabia export to Japan?

petroleum

3. What services might Swedes perform for the Japanese?

They will manufacture steel for them

and shipping ~~off~~ electronics
iron ore

4. What good would Japan most likely export to Sweden?

automobiles

5. What goods might Japan and Sweden sell to Saudi Arabia?

tech tools

6. Give two reasons why countries trade.

1. Resources are unequally distributed

2. Countries specialize

7. Why does the United States import a crop like tea which needs a tropical or subtropical climate to grow?

a. There are plenty of tea drinkers in the U.S.

b. Tea-growers want Americans to drink more tea

☒ c. The climate of the U.S. is not right for growing tea

d. The U.S. wants to give money to farmers in other countries

Natural, human, and capital resources are unevenly distributed so nations concentrate on producing whatever they make best, otherwise known as specialization. Each region can then produce the good or service at the lowest cost. By making just a few specific kinds of goods and services, producers in a region can become more skilled at making them. Producers learn how to make these goods even faster and more efficiently. Different regions then depend on one another to supply many goods and services. They exchange their goods through trade. As you know, countries export products they make and import products they need from others.

The world's natural resources are unevenly distributed among nations. What role does this play in encouraging global trade? Write your answer in the space provided.

The world's natural resources are unevenly distributed which means nations concentrate on making a certain product (specialization). When countries specialize they make goods or services efficiently and at the lowest cost. This leads to global trade because countries begin to rely on one another for goods.

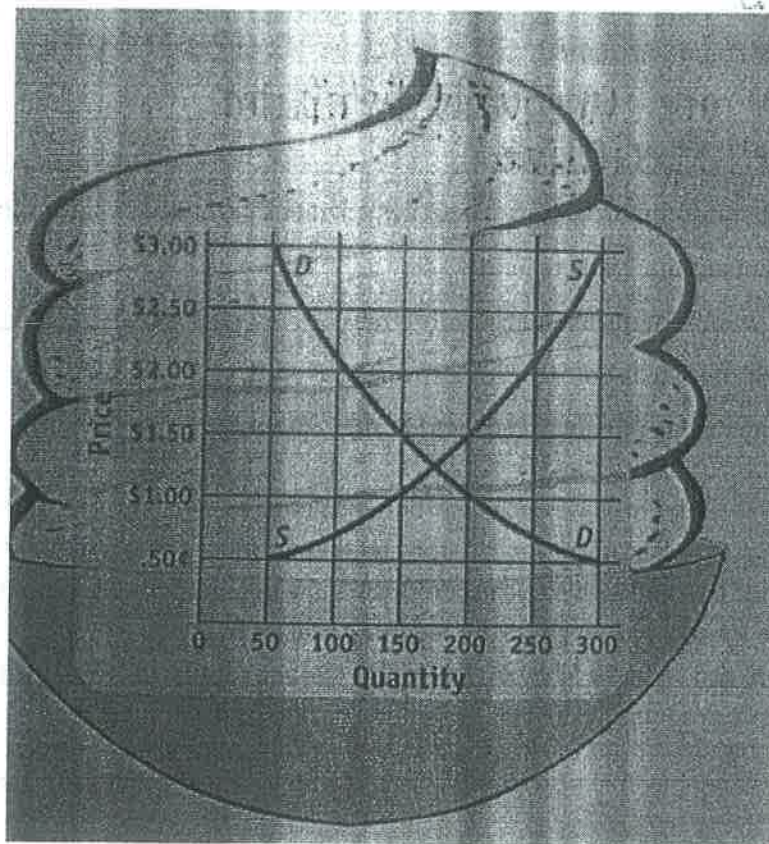
Supply and Demand

Law of Demand

Demand refers to how much of a good or service consumers are willing to buy at a particular price. As the price increases, fewer people are willing to buy a product. As the price decreases, more people are willing to buy the product.

Law of Supply

The law of supply concerns the decisions of producers. These are the manufacturers and merchants who supply the goods and services available for consumers to buy. These are the "outputs" of the production process. Producers are willing to sell more of a product as its price rises. More producers may manufacture a good if they think they can charge more. They will also use more resources, even if it becomes more expensive to produce, if they can charge more.



Look at the demand curve to answer the following questions:

1. How many people are willing to buy a frozen yogurt for \$3.00? 50
2. How many people are willing to buy the same frozen yogurt for 50 cents? 300
3. What might explain why the demand for the frozen yogurt changes with the price?

Many people will only want yogurt if it is for a cheap price

Look at the supply curve to answer the following questions:

1. How many frozen yogurts is this store willing to sell at 50 cents each? 50
2. How many frozen yogurts would the store sell at \$3.00? 300
3. What happens to the supply of frozen yogurts made available as the price increases?

the quantity lowers
b/c less are buying it
too expensive.
raises