A-LEVEL ECONOMICS • EXERCISE SHEET

# 6.2 Protectionism

Name: ____________ Class: ________ Date: __________ **Total: 24 marks**

## Objective

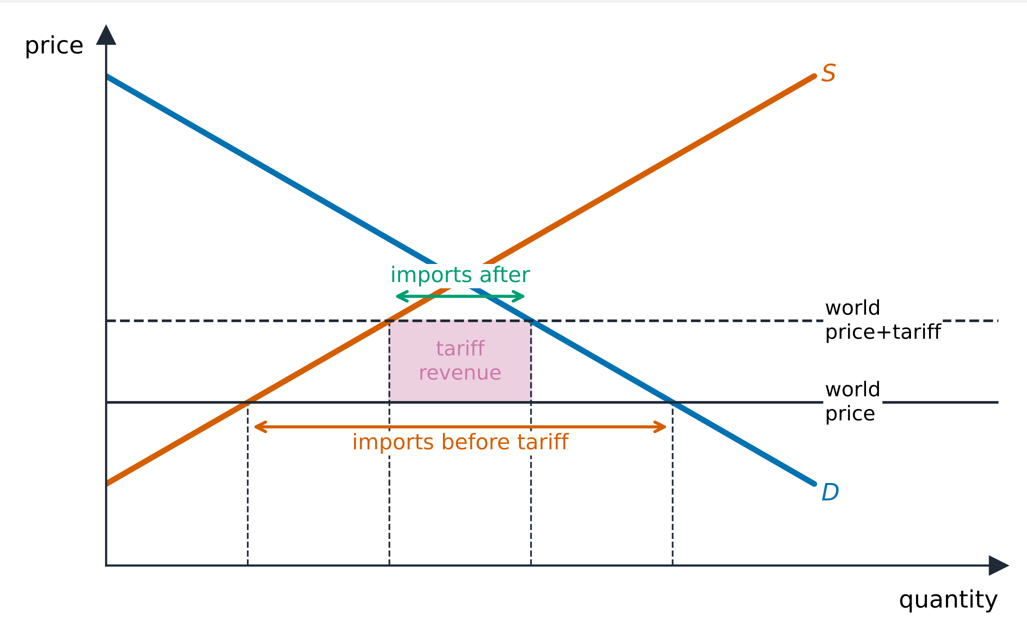
Build the skills to answer exam questions on **protectionism** 贸易保护主义—the tools (**tariff, quota, subsidy, embargo** 关税、配额、补贴、禁运), the arguments **for and against**, and the effects on **stakeholders** 利益相关者.

**You must be able to:**

- define the main protectionist tools and draw a tariff diagram
- explain the arguments for and against protection
- analyse the effect of a tariff on different stakeholders

## 1 Worked examples

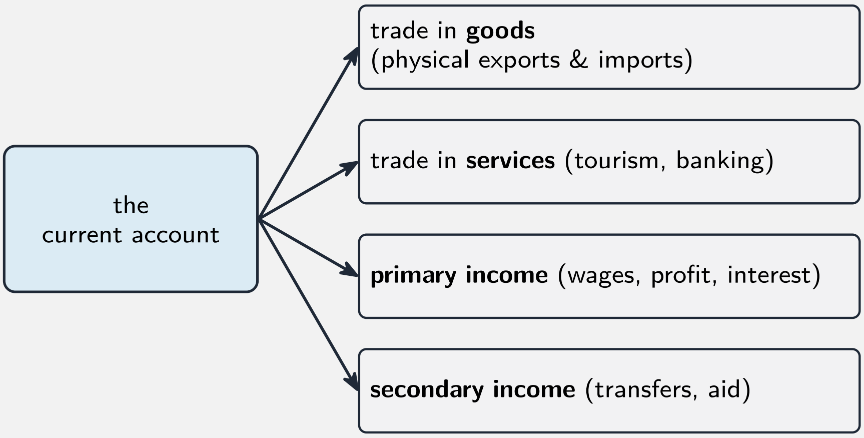
### ■ A tariff




*Domestic supply rises, demand falls, imports shrink; the box is tariff revenue*

- **Tariff** 关税: a tax on imports (raises their price). **Quota** 配额: a legal limit on import quantity.
- **Arguments for:** protect an **infant industry** 幼稚产业, save jobs, stop **dumping** 倾销.

- **Arguments against:** higher prices, protects inefficiency, risks **retaliation** 报复.
- **Stakeholders of a tariff:** home producers gain, government gains revenue, **consumers lose**, foreign producers lose.




*Protection is often aimed at the current account —the balance a tariff tries to improve*

**Answer shapes:** an **Explain** [**up to 8**] answer may use a tariff diagram (AO3); **Discuss** [**12**] adds a judgement (AO4).

## 2 Practice

**2.1** Define the term *tariff*. [2]

**2.2** State the difference between a *tariff* and a *quota*. [2]

**2.3** State one argument in favour of protectionism. [1]

## 3 Exam-style questions

**3.1** A **quota** is best described as: [1]

- **A** a tax on imports

- **B** a legal limit on the quantity of imports
- **C** a payment to domestic producers
- **D** a complete ban on trade

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**3.2** Using a tariff diagram, explain how a tariff affects domestic producers and consumers. [8]

**3.3** Discuss whether a government should use protectionism to support its domestic industries. [12]

## 4 Go further

You are now ready for the real exam questions on this subtopic. Open the **6.2 Protectionism** past-paper sheet in the Library, or try these in **Practice mode**:

- 9708/12 N25 —Q30 (protectionism)
- 9708/14 N25 —Q3 (tariffs)
- 9708/14 N25 —Q23 (effects of protection)

## Solutions

Economics answers are marked by **level of response** against the assessment objectives: award **AO1** knowledge, **AO2** application, **AO3** analysis and **AO4** evaluation.

**2.1** a tax on imports, which raises their price (2 for a clear definition; 1 for a partial idea).

**2.2** a tariff is a tax that raises the price of imports; a quota is a legal limit on the quantity of imports (2 for a clear difference; 1 for a partial idea).

**2.3** any one of: protect an infant industry; save jobs; prevent dumping; raise government revenue (1).

**3.1** **B**. A quota limits the quantity of imports.

**3.2** *[8]* AO1 1 + **AO3 diagram up to 4** (domestic S and D, world price, world price + tariff, imports shrink, revenue box) + AO2/AO3 up to 3 —the tariff raises the price → domestic producers supply more and gain, but consumers pay more and buy less, so consumer surplus falls; the government collects tariff revenue.

**3.3** *[12]* AO1/AO2/AO3 up to 8 + AO4 up to 4. **For:** protects infant industries and jobs, prevents dumping, raises revenue. **Against:** higher prices for consumers, protects inefficient firms, risks retaliation and a trade war that harms exporters. Judgement: limited, temporary protection of a genuine infant industry can be justified, but broad long-term protection usually lowers welfare —it depends on the industry and the risk of retaliation.