

Peer Tutoring -Protectionism 4.2

1 Diagram for protectionism – 3 applications

Key Diagram(S)

1. Free trade + protection diagram to show indirect tax (tariff), quota and subsidy.

e 1 Diagram for Protectionism in 6 Steps

3 Tasks: each student in the group must do the 3 tasks below.

Instructions: for peer tutors:

1. Group size of 3-4 students.
2. Study webnotes 421-422-423-424 for protectionism carefully also using your notes. Make sure you understand the alternatives: **tariff, quota + subsidy**. Ask questions here if necessary. Now complete tasks 1-3 with your group. Time allowing also do tasks 4 - 6.

Instructions for group: Stage 1

Task 1: (circa 10 minutes):

Explain the tariff diagram to your group. Ask your group if they have any questions about the diagram. Identify 3 stakeholders in the diagram for your group. Discuss the diagram you drew i.e. **Any questions?**

Task 2: (circa 5 minutes) Give each peer in the group a blank A4/3 page:

To start: ask the peers to draw a **diagram to show the effect of a tariff imposed on foreign imports**. Peers need to draw the diagram from memory. Encourage full use of labels on the diagram try and make a direct connection between the diagram and at least **one stakeholder**: gainer or loser.

Instructions for group: Stage 2

(15 minutes) Answer tasks 3 and 4 below. All students should briefly feedback to the group based using the diagram and terms in boxes A + B below:

Task 3 Question: (circa 10 minutes):

Ask the following question: How does the diagram you have chosen link to one of the items in Box A e.g. welfare loss? Use any of the terms in box A to help you.

N.B. Each student presenting must use their own diagram and give brief feedback directly to the group to identify the link to Box A

Task 4: Question: (circa 10 minutes):

explain briefly how the diagram links to ONE main theme in IB economics posted below in box B e.g. economic efficiency?

N.B. Each student presenting must use their own diagram and give brief feedback directly to the group to identify the link to Box B

Task 5: (optional) (circa 10 minutes):

Repeat tasks 1-2 for a Quota

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A:

Key theory: can you connect any of the following to your protection diagram?

1. Growth
2. **Development** (quality of life changes?)
3. Revenues/market share
4. Resource allocation
5. Key stakeholders
(firm, household, government, society)
6. **Efficiency** (is there inefficiency in market?)
7. Welfare loss
8. Sustainability
9. Consumer/producer /
community surplus
10. Deadweight loss
11. Other? Make a suggestion.

B:

Key Concepts : can you connect to your protection diagram?

1. scarcity,
2. choice,
3. efficiency,
4. equity,
5. economic well-being,
6. sustainability,
7. change (long run vs short run)
8. interdependence
9. intervention

Available Sources:

1. Student Notes 4.2 – bring your notes to class
2. Webnote 421: 8 types of protection
3. Webnote 422: tariff analysis
4. Webnote 423: quota
5. Webnote 424: export subsidy