

## Investment Tools: Global Economics

**Study Session: 6**

**LOS: 1.d**

Explain the impact of trade barriers on the domestic economy and identify who benefits and loses from the imposition of a tariff.

Exam Probability: **Medium**

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**LOS 6.1.d**

Level I

## Investment Tools: Global Economics

### LOS: 6.1.d

**Explain the impact of trade barriers on the domestic economy and identify who benefits and loses from the imposition of a tariff.**

Barriers usually increase costs of goods due to decreased competition

Winners:

- 1) Domestic producers have a cost advantage over imports.
- 2) Government collects tariff revenue.

Losers:

- 1) Consumers pay more for goods.
  - 2) The economy as a whole because of a net deadweight loss.
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Level I