

Sample Lesson #2

Kentucky in the World Economy

An **export** is a good that is sold outside the state or country where it is produced. Kentucky produces many exports. For example, Kentuckians mine a large quantity of coal but do not use all of it. They sell coal to consumers in India and other countries. Farmers grow tobacco in Kentucky's Bluegrass region. It, too, is an important export. Kentucky distillers produce bourbon, an alcoholic beverage. Almost all the world's bourbon is produced in Kentucky. Coal, tobacco, and bourbon are major exports of our state.



Bananas from Brazil, olive oil from Italy, and other foods are examples of Kentucky imports.

Other Kentucky exports include horses, chemicals, airplanes, and automobiles. Toyota and Ford manufacture cars in Kentucky. General Motors produces the Corvette. Kentuckians ship out most of the cars they produce. But they bring in some of the parts they use to make cars. These parts are imports. An **import** is a good that comes from another state or country. Steering wheels and cell phones are examples of Kentucky imports.

The manufacturing business is profitable (successful) in Kentucky. Kentuckians make money when consumers buy Kentucky-made cars. Car producers make a profit when they sell cars. **Profit** is the money earned after all expenses (costs) have been paid.

However, there are factors that limit how much money Kentucky can make. One factor is **competition**. Kentucky wants to sell its products to consumers. Businesses in other states want to sell their products to the same consumers. That creates competition.

Another factor is scarcity. **Scarcity** means "in short supply" or "not enough." Almost all resources are scarce. There are not enough natural resources to meet the demand for them. Sometimes, there are not enough human resources or capital resources. Goods and services may be scarce, too. Scarcity is an important economic factor. It limits what a state can produce. It also limits the amount of money a state can earn.

- Which three words mean about the same?
 manufacture destroy build make
- In the first paragraph, highlight the definition of *export*.
- In the second paragraph, highlight the definition of *import*.
- Write the letter of the word that completes each sentence.
 A) scarcity B) profit C) competition

When a business has paid all its expenses, the money earned is its _____.

There are not enough resources to meet the demand. This describes _____.

Businesses in other states want to sell their products to Kentucky's consumers. That creates _____.

- Think about the whole sentence. Next to each part, write **C** for *cause* or **E** for *effect*.
 _____ Many auto workers lost their jobs
 _____ because fewer people were buying cars.
- Put a check next to the sentences that tell how the Appalachian Mountains formed.
 (See Lesson #15.)
 _____ Tectonic plates pushed up layers of Earth's crust.
 _____ Shallow seas covered North America.
 _____ Fossils became embedded in layers of sediment.
 _____ Tectonic plates moved and bumped into each other.

- Many Kentucky workers make automobiles. These workers are _____.
 human resources capital resources natural resources
- Two of Kentucky's imports are steering wheels and engine parts. Workers use these _____ to build automobiles.
 human resources capital resources natural resources

- A (physical / political) map shows elevation and waterways.
 A (physical / political) map shows the boundaries created by people.