



Currency Wars!

Currency Wars: Why should we appreciate depreciation?

Directions: In your small groups you will analyze 4 sources. To start, each group member will have one of the sources. You will answer the question related to the image or text. After all group members have answered questions for each source, you will discuss your observations with your groups.

DOCUMENT A: “US’ Currency War”

- 1) This section talks about the “value of the dollar.” How does the United States keep the dollar strong?

 - 2) Why does the dollar have a “unique role” in the world’s economy? Provide a text example as support.

 - 3) The excerpt says that the “United States does not deliberately force its currency, the dollar, to devalue.” Instead, how does the United States attempt to remain competitive in the world market?

 - 4) What role does the Federal Reserve play in the value of the dollar? Use an example from 2008 and 2014 to support.
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DOCUMENT B: "China's Currency War"

- 5) What were some of the effects of China's management of the yuan in 2015 and 2016?

- 6) Describe the relationship between the dollar and the yuan. How did China attempt to manage this relationship?

- 7) How does the yuan effect the Dow Jones Industrial Average? Provide an example from the text.

- 8) This excerpt says that "China wasn't in a currency war with the United States." Based on your understanding, would you agree that the US and China are not engaged in economic warfare? Why or why not?

DOCUMENT C: "Currency Wars"

- 9) This image shows two tanks wielding the American flag and a Chinese flag. What does this image convey about the countries' impact on the world economy?

- 10) The kiosk in the center of the image has the word "change" on top. How does this image show how China and the U.S. "change" or manipulate currency?



- 11) Document B says that China and the US are not engaged in economic warfare, but this image may disagree. How does this image show that the US and China may actually be engaged in economic warfare? Use your understanding of “currency war” as support.
- 12) The kiosk displays flags from other countries. How would other countries be effected in China and the United States did engage in an all-out currency war? What from the image tells you that?

DOCUMENT D: “US – China Trade Tariffs Are Reaching Their Limit”

- 13) We understand that tariffs are “taxes on imports.” How does this infographic show how the U.S. and China are using tariffs against each other?
- 14) How does this infographic portray the relationship between China and the United States’ economies? Use one piece of data as support.
- 15) If the US and China are engaged in a currency war, which country is effected the most based on this infographic? Use data to support this conclusion.
- 16) Examine the tariffs that have been proposed or announced. Now, examine those that have been applied. How does this disparity support or dispute the notion that China and the US are engaged in a “currency war?”