



LESSON PLAN: THE FALL OF THE DOLLAR

HANDOUT: A Weak Dollar: Good or Bad?

Name: _____

1. Identify (define and explain the significance of) the following terms.

Currency –

Exchange rate –

Budget deficit –

Trade deficit –

Inflation –

2. Whom does a weak dollar hurt? Whom does it help? List below.

WINNERS:

LOSERS:

3. How are currency rates determined? What does it mean to say the dollar is weak or strong?

4. How many other causes of a drop in the dollar can you find other than simply consumer preferences?

5. How can the government maintain the value of the dollar?

6. What are the possible results of a weak dollar?

7. What do you think? Is a weak dollar a necessary market adjustment which will ultimately help our economic recovery and help find a sustainable level for the dollar? Or, is a drop in the dollar an economic disaster to which the Bush administration should respond? Support your view.