

GII-Mercantilism

- Economic system developed in the 1600s
- Helped by the Commercial Revolution
- Sparked the birth of new business and joint-stock companies to invest in exploration to new markets
- This helped the formation of capitalism
- European countries: England, France, Spain & Portugal used colonies to gain access to materials and markets
- The goal is for the colonies to supply the Mother Country with goods to sell for a profit
- The Mother country exports more than it imports and creates a favorable balance of trade

Sample Questions

1. The introduction of banking, letters of credit, joint stock companies, and guilds contributed to the start of the

- | | |
|-----------------------------|---------------------------|
| (1) Renaissance | (3) Enlightenment |
| (2) Agricultural Revolution | (4) Commercial Revolution |

2. In Europe, joint stock companies, shareholders, entrepreneurs, and the bourgeoisie contributed to the

- | | |
|------------------------------|-------------------------------------|
| (1) rise of capitalism | (3) decline of communism |
| (2) development of feudalism | (4) increase in power of the guilds |

3. The term “mercantilism” is defined as an economic system in which

- (1) prices are determined by the laws of supply and demand
- (2) colonies exist for the benefit of the colonial power
- (3) factors of production are owned by the government
- (4) the proletariat benefit at the expense of the bourgeoisie