

# 11.6

## Effects of Global Contact



## **As a Young Historian, I will be able to...**

- Explain how European exploration led to the Columbian Exchange.
- Explain new economic factors and principles that contributed to the success of the commercial revolution.

# Columbian Exchange

**This was the trade of new items between the “old world” & the “new world”**

**Trade & new foods from around the world helped cause populations to grow**

**Many different ideas were exchanged around the world & soon new customs were developed**

**New words were added to vocabularies such as hammock, canoe, or pajama**



# Commercial Revolution

**Period of Economic growth that began capitalism, banking, & investing**

**Inflation-** Rise of prices linked to sharp increase in amount of money

**Price Revolution-** Period in European history that led to growth in wealth

**Capitalism-** Type of economy that invests money to make a profit





# Free Enterprise System

**This is a capitalist economy where we have private businesses & decisions based on “buy & sell”**

**Entrepreneurs-** Enterprising business people who start their own business

**Supply & demand began to control markets & create new means of making a profit**

**Guilds** were created to protect certain businesses from failure or corruption



# Mercantilism

**Policy that nations wealth is measured in gold & silver  
& a nation must export more than import**

**Oversea colonies were important in mercantilism thus  
strict laws were created to regulate trade**

**Tariffs-** Taxes on imported goods, designed to  
protect local industries from foreign  
competition

**Social classes were developed, such as the middle  
& upper class that we see today**

