Lesson 15-4 Homework Questions, part 2

Answer the following questions.

1. Why did **England's** presence in the America's bring conflict with **Spain**? (Page 524)

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2. Identify two reasons why the Spanish Armada was defeated. (Page 524)

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3. What is **capitalism**? Why does this system create wealth? (Page 525)

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**Chartered Companies**

Chartered companies evolved as European countries began to expand oversees. The original chartered companies were groups of merchants who pursued their own investments and trade but had to follow certain rules that kept limits on their activities. These rules were set out in the charter granted by the monarch. Usually, the charter gave the company a monopoly on either the region of trade or the product to be sold. Investing in America was a riskier venture for many reasons. In response, the joint-stock companies developed. This type of company raised the capital for investment from shareholders, who then shared both the profits and the loses.

4. Why was investing in America considered risky?

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5. Define **mercantilism** from the text. What two ways could a nation gain wealth? (Page 525)

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6. How did colonies play a role in **mercantilism**? (Page 525)

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8. How did the book influence the economic system of the United States? (Page 526)

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