

How Did the Commercial Revolution Create Rich European Nations?

Document #1

“The voyages of exploration and discovery to Africa and the Americas shifted European trade routes from the Mediterranean Sea to the Atlantic Ocean. This change in trading patterns led to important new economic developments in Europe. These economic changes were so great that they have been called the Commercial Revolution”

Global Studies: Civilizations of the Past pg. 291

Based on this document, what started the **Commercial Revolution**? (Use your own words, please!)

Document #2

Change #1 The rise of capitalism. Capitalism is an economic system that is based upon two principles. 1. Private citizens own and operate businesses; they may own as much property (houses, clothes, horses, etc) as they can buy. 2. The goal of capitalism is to make the maximum profit possible.

Wealthy capitalists often financed the voyages of European explorers. In exchange for lending money to the voyagers, they expected to receive a share of the profits that the voyagers returned with. **Imagine that you were a wealthy capitalist looking to invest \$5000 on a voyager.** Read the following chart and answer the questions that follow.

Voyager's Captain	Estimated Length of Trip	Estimated Profit (for every \$5000 invested)	Risk Factor 1(lowest) – 10 (highest)	% of profit demanded by the King
Chris	3 years	\$1000	4	%10
Amerigo	2 years	\$5000	8	%10
Vasco	1 year	\$2000	8	%10
John	5 years	\$10, 000	9	%10

Note: Risk Factors includes the possible dangers that voyagers faced i.e. bad weather, pirates, poor ship construction, etc

1. Which voyager would you invest your money with? (Remember; maximum profit is your goal!) _____ because that voyage would earn me a profit of _____ per year.
2. Which voyager would earn your investment the lowest profit? _____ would only earn me _____ per year.
3. Which voyager is the safest investment? _____ because _____
4. What did voyagers receive from the King in exchange for a share in their profits?

5. What would happen to your investment if the shipped sank while on its journey home?
