

Unit 7: Industrial and Economic Development Patterns and Processes
Multiple Choice Answer Key and Explanations

1. Which of the following is an example of a job that is in the primary sector?	
A. President of a country	This answer is incorrect. This would be an example of the quinary sector.
B.Fishermen	This answer is correct. The primary sector revolves around activities that rely upon natural resources.
C.Textile worker	This answer is incorrect. This would be an example of the secondary sector.
D.Teacher	This answer is incorrect. This would be an example of the quaternary sector.

2. Which of the following theories would best be used to understand the location of a new factory?	
A. Dependency theory	This answer is incorrect. This theory looks at the relationship between periphery countries and core countries.
B.World system theory	This answer is incorrect. This theory looks at how core, semi periphery, and periphery countries interact and impact each other.
C.Weber's least cost theory	This answer is correct. This theory is used to determine the most profitable location for a business to locate. This theory looks at the different transportation costs of resources used to make the product, and at the transportation costs of the product to the market.
D.Commodity theory	This answer is incorrect. This is when a variety of places are connected in the production of a good and interact to create a final product that is exchanged on the world market.

3. Which of the following would motivate a company to move production from a core country to a semi periphery or periphery country?	
A. Special economic zones	This answer is incorrect. These are zones in a country that have different economic restrictions. Countries use these policies to create regions that attract foreign investments.
B.Export processing zones	This answer is incorrect. These zones traditionally allow imports of raw resources and intermediate goods for free. The goal is to reduce trade barriers and make it cheaper for companies to use these zones.
C.Free-trade zones	This answer is incorrect. These zones are areas in which there are no tariffs or trade barriers. This makes it cheaper and easier for companies to trade with the zone.
D.All of the above	This answer is correct. Each one of these different zones would encourage trade, foreign investment, and motivate companies to move production from a core country to a semi periphery or periphery country.

4. Which of the following best explains what happens in the traditional society stage of Rostow's Model of Development?	
A. Society shifts from a manufacturing based economy to a service based economy	This answer is incorrect. This occurs during the second and third stage, once urbanization and economic development start to happen.
B. The majority of jobs in society are in the secondary sector	This answer is incorrect. This is where society starts to see demand for raw materials from outside states. This is the second stage and we see the economy transition from the primary sector to the secondary sector.
C. Majority of agriculture is subsistence agriculture	This answer is correct. This is the first stage of the model, here economic development has yet to occur.
D. Natural resources are exploited by foreign governments	This answer is incorrect. This starts to happen in the second and third stage of the model.

5. Which of the following is not part of the GDI?	
A. Literacy	This answer is incorrect. This is used to calculate a country's GDI.
B. Education	This answer is incorrect. This is used to calculate a country's GDI.
C. Life expectancy	This answer is incorrect. This is used to calculate a country's GDI.
D. Empowerment	This answer is correct. This is not a metric that can be clearly measured. However, one can look at the GDI and infer the amount of empowerment and opportunities given to women in a society.

6. Neoliberal policies promote all of the following except _____	
A. Tariffs	This answer is correct. Tariffs reduce trade between countries and make it more expensive to import products. This would counter neoliberal policies.
B. Free trade policies	This answer is incorrect. Neoliberal policies promote policies that favor a smaller government and free market, this includes free trade policies.
C. Supranational organizations	This answer is incorrect. Supranational organizations can lead to a reduction of costs for companies as they can now produce products and sell their products around the world.
D. Global supply chains	This answer is incorrect. Global supply chains allow for companies to locate in countries that offer the most opportunities for the company. This allows them to become more efficient, produce more goods, increase their profit, and sell to people around the world.

7. In order to ship your product to your consumer you need to use two modes of transportation, because of this you will most likely need to use a _____	
A. Export processing zone	This answer is incorrect. These zones traditionally allow imports of raw resources and intermediate goods for free. The goal is to reduce trade barriers and make it cheaper for companies to use these zones.
B. Break-of-bulk point	This answer is correct. This is a location where goods are transferred from one mode of transportation to another.
C. Free-trade zone	This answer is incorrect. These zones are areas in which there are no tariffs or trade barriers. This makes it cheaper and easier for companies to trade with the zone.
D. Tariff	This answer is incorrect. A tariff is a tax that is put on imports to make it more expensive to import certain goods or resources into the country. The goal is to motivate consumers to purchase domestically made items instead of foreign items.

8. Which of the following events did not happen because of the enclosure movement?	
A. Increased food production	This answer is incorrect. The enclosure movement allowed for an increase in food production due to the privatization of farm land and new inventions from the industrial revolution.
B. Increased urbanization	This answer is incorrect. The enclosure movement pushed many farmers off of public lands and towards urban areas. Urbanization occurred due to the economic opportunities in urban areas.
C. Increased population growth	This answer is incorrect. The enclosure movement allowed for more food to be produced, which created a larger food surplus. This allowed for more specialization to occur and population growth to happen.
D. Increase in cottage industries	This answer is correct. The enclosure movement and industrial revolution increased migration to urban areas. This was due to farm lands being privatized, this ended up significantly reducing the amount of cottage industries as people started to produce more goods in factories and not at home.

Human Development Index	
Country A	.89
Country B	.94
Country C	.33
Country D	.96

9. Which of the following countries' HDI score reflects the least economic and social development?	
A. Country A	This answer is incorrect. The higher the HDI score the more economic and social development.
B. Country B	This answer is incorrect. The higher the HDI score the more economic and social development.
C. Country C	This answer is correct. The higher the HDI score the more economic and social development.
D. Country D	This answer is incorrect. The higher the HDI score the more economic and social development.

10. Which of the following programs has been shown to help women in developing countries become more economically independent?	
A. Microloans	This answer is correct. These are small loans that are given to individuals. They are often given to people who are in poverty who are looking to grow a business and escape poverty.
B. Just-in-time delivery	This answer is incorrect. This is when companies keep on hand only the items they need for production in the short term. As the production of the product continues they will eventually ship in the other parts needed to complete the process, but that will happen only when it is ready for assembly
C. Outsourcing	This answer is incorrect. This is when a company has another company complete jobs for the company.
D. Agglomeration	This answer is incorrect. This is when businesses or goods/services that are similar are grouped together.