

[CHAPTER 8—INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT]

Multiple-Choice Review Questions

1. A factory process transforming raw corn into processed baby food falls into which economic category?
 - (A) Primary
 - (B) Secondary
 - (C) Tertiary
 - (D) Quaternary
 - (E) Quinary
2. All the following are areas of early industrialization EXCEPT
 - (A) England.
 - (B) Ukraine.
 - (C) the Ruhr region.
 - (D) Ohio region.
 - (E) Madrid.
3. As a country first industrializes, a decrease in jobs usually occurs in which sector?
 - (A) Primary
 - (B) Secondary
 - (C) Tertiary
 - (D) Quaternary
 - (E) Quinary
4. In Weber's least cost theory, what are the two major factors he assumed controlled cost of transportation?
 - (A) Value of the good being transported and distance to market
 - (B) Size of the market and price of the good
 - (C) Durability of the good and size of the market
 - (D) Distance to market and terrain
 - (E) Weight of the good and distance to market
5. A company that produces a weight-gaining product decides to locate a factory near its market. This is an example of
 - (A) material orientation.
 - (B) market orientation.
 - (C) footloose orientation.
 - (D) locational interdependence.
 - (E) deglomeration.
6. Which of the following is most likely a footloose industry?
 - (A) Automobile production
 - (B) Computer chip production
 - (C) Steel production
 - (D) Bottled-water production
 - (E) Paper production

7. Shanghai, China, is industrializing and growing at exponential rates. The urban migration stream into Shanghai is one of the largest in Chinese (and urban) history. As a consequence of this pattern, many smaller surrounding villages and cities are losing talented workers and resources that are being channeled into Shanghai's rapid growth. This situation best illustrates
- (A) backwash effects.
 - (B) Fordism.
 - (C) foreign direct investment.
 - (D) footloose industries.
 - (E) ubiquitous industries.
8. All the following are used in the human development index equation EXCEPT
- (A) average income per person.
 - (B) average life expectancy.
 - (C) women's level of equality.
 - (D) literacy rate.
 - (E) infant mortality rate.
9. The value of a country's total output of goods and services in that country during a year is called its
- (A) foreign direct investment.
 - (B) purchasing power parity.
 - (C) human development index.
 - (D) inflation rate.
 - (E) gross domestic product.
10. Which of the following people performs activities most likely to be classified as part of the informal sector of the economy?
- (A) Broadway-musical dancer
 - (B) Janitor at a public high school
 - (C) Street hot-dog vendor
 - (D) Doctor
 - (E) Newspaper journalist
11. Which of the following best captures a structuralist interpretation of the development gap?
- (A) Less-developed countries fall behind more-developed countries in levels of wealth and development because people in less-developed countries do not work efficiently.
 - (B) Less-developed countries are in stages 2 and 3 of Rostow's model.
 - (C) More-developed countries have reached higher development levels because of coal deposits beneath their soils.
 - (D) Less-developed countries remain poor because they are continually exploited by more-developed countries seeking resources and labor.

- (E) Less-developed countries will develop in the same pattern as more-developed countries have, but it will take time and self-improvement.
12. All the following were Asian Tigers EXCEPT
- (A) South Korea. (D) Singapore.
(B) Taiwan. (E) Hong Kong.
(C) Japan.
13. Murthy Industries owns a factory located in northern Mexico, on the border with the United States. Given this information, which of the following terms most likely applies to the factory that Murthy Industries owns?
- I. Maquiladora
II. New industrial country
III. Special economic zone
IV. Export-processing zone
- (A) I (D) I, III, and IV
(B) I, II, and IV (E) I, II, III, and IV
(C) II and III
14. Allowing multi-national corporations to outsource without any regulation except for the basic forces of market capitalism is known as
- (A) free trade.
(B) foreign direct investment.
(C) the informal sector.
(D) market orientation.
(E) a primary economic activity.
15. The IMF agreed to give Kenya a \$2 million loan on the condition that the government would sell an electrical company in its northern region to a private corporation. This situation demonstrates which of the following concepts?
- (A) Commodification (D) Arbitrage
(B) Cumulative causation (E) Structural adjustments
(C) Fair trade