

## Multiple-Choice Answers

1. **(B)**

Secondary economic activities take raw materials gathered in the primary sector and transform them into marketable products.

2. **(E)**

All the other answer choices were early dominant centers of industrialization.

3. **(A)**

As industrialization spreads through a country, it usually leads to a decrease in primary-sector jobs because machines make it possible for fewer people to harvest raw materials from the earth while at the same time creating jobs that process the increased amount of materials gathered. (B) Industrialization is a secondary-sector activity, producing goods from raw materials. (C), (D), and (E) are economic sectors that can follow the growth of industrialization.

4. **(E)**

Weber assumed the weight of the good and the distance were the two most important factors in the cost of transportation. All the other answer choices were not considered in Weber's model.

5. **(B)**

A company that locates a factory near its market is trying to reduce the cost of shipping the heavier end product as opposed to the lightweight raw materials. (A) occurs when a company locates near its source of raw materials to reduce the cost of shipping heavy raw materials used to produce a lighter final product. (C) describes a company that is not tied to any location by the cost of shipping. (D) is when industries choose their location based on where their competitors are located. (E) is the "unclumping" of industries because of the negative effects and higher costs associated with overcrowding.

6. **(B)**

Computer chip production is not usually tied to any one location and can move around the globe, free of locational restraints, because the resources that go into the final product are not related to one particular place. The other answer choices depend on resources tied to a location, preventing these production processes from moving freely about the world.

7. **(A)**

Backwash effects are the negative consequences of agglomeration and growth that pull talented workers and resources from the surrounding regions. (B) is the model of industrial production that breaks down the production process into an assembly line of differentiated operations. (C) is when a company invests or spends money in a foreign country to build a factory or employ its workers. (D) are industries that are not tied down to one particular place

but can move freely throughout the world to find the ideal location, and (E) are industries that cannot be separated from their market because their sole purpose is to provide immediate goods to their market (like a dairy farm).

8. (C)

Though some geographers argue that analyses of women's rights and levels of equality should be included in the HDI equation, those issues are not officially included in the equation.

9. (E)

A country's gross domestic product (GDP) shows the total of all of the goods and services counted within a country's domestic borders over the course of a year. Usually, the (GDP) is a helpful measure of the country's overall economic strength. (A) is money invested by firms in countries outside of their home country's borders; (B) is a metric often used to compare standards of living among countries; (C) is an equation developed by the United Nations to compare development among countries; (D) is a measure of the devaluation of money and currency.

10. (C)

The informal sector of the economy comprises jobs and activities undetected and unreported to the government, the "under the table" operations, such as a hot-dog vendor who takes cash and does not report it to the government. The other jobs are more likely to be reported because they are linked to a greater organizational structure that will pay taxes and health care for their employees.

11. (D)

The structuralist perspective argues that the structure of the world's economy inherently keeps less-developed countries poor at the benefit of more-developed countries. (A) places the blame on the citizens of a less-developed country, which does not hit at the structure of the global economic system. (B) represents Rostow's modernization model, which is the antithesis of the structuralist perspective in that it assumes that all countries can move through the same development pattern and does not account for the economic system of interlocking, interrelated economies. (C) might be related to the structuralist perspective in a weak way in that it hints at resource inequalities, but its relationship to the structuralist perspective is more removed than the clearer relationship of (D). (E) is representative of liberal theories similar to Rostow's modernization model and does not account for cultural and contextual differences within the global economic system.

12. (C)

Japan industrialized before the rise of the Asian Tigers, which followed Japan's pattern of industrial and economic development by developing a comparative advantage in a high-tech industrial activity.

13. (D)

Located in northern Mexico, this plant is likely in a maquiladora zone, or Mexican factory zone constructed to attract U.S. factories. This zone is also a special economic zone and an export-processing zone because it gives U.S. factories incentives to move there and produce their goods targeted for export. However, Mexico is not an NIC because its economy has not transitioned toward industrialization and dominance.

14. **(A)**

Free trade is the idea that governments should not inhibit companies but should allow market forces to determine how businesses operate. (B) is the investment by an MNC in a foreign country's economy, (C) is a network of business transactions that are not reported and therefore not included in the country's GDP and official economic projections, (D) occurs when weight-gaining industries locate near the place where the "heavier" product will be sold, and (E) are economic activities that revolve around getting raw materials from the earth.

15. **(E)**

Structural adjustments are changes a country must make in its economy to gain access to the loans it needs; (A) is putting a price on something that has not had a price or been viewed as needing a price before. (B) is the exponential, "snowball" growth that a region experiences once it becomes successful, such as when one city draws all the investment, while the others suffer. (C) is trade that is regulated to ensure that workers' rights are protected, and (D) is when a company produces a product at a very low price and then sells it for many more times its production cost.