True/False Review for Chapter 11 – Global Economy: Politics and Capitalism

Number your page from 1 to 9 and write T or true and F for false. There is no need to rewrite the question.

1. **Laissez-faire** means "to leave alone."  True  False

2. The goals of the World Trade Organization (WTO) have, in general, not been easy to achieve.  True  False

3. Most Third World countries made wise investment decisions with the money they borrowed in the 1970s and 1980s.  True  False

4. The idea behind comparative advantage was that every country should be self-sufficient industrially and agriculturally.  True  False

5. Economic liberalism holds that global interdependence is a logical consequence of the international expansion of capitalism.  True  False

6. Economic growth in the late twentieth century is relatively unaffected by technological changes.  True  False

7. The term capital refers to one of three factors of production, the other two being labor and land.  True  False

8. Internationalization and globalization have the same meaning.  True  False

9. GNP is the total or aggregate of goods and services produced by a state in a given year.  True  False

**DISCUSSION TOPIC** – Reply in one paragraph.

Which do you consider to be the more important contribution to the security of a state its economy or its military? How are the two related?

**ACTIVITY** – Reply in one paragraph.

Visit the CIA World Factbook.

www.cia.gov/cia/publications/factbook/index

Choose two or three "Third World" countries. Look at the economic statistics for each. What are the GDPs? How much of the country lives in poverty? Now look at the United States and another First World country. How are they different? Why?