True/False Review for Chapter 13 – Political Economy of Investment and Sustainable Development

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

1. Private banks are prohibited from loaning money to Third World governments.  
   True  **False**

2. Many governments have found it difficult to regulate and tax multinational corporations.  
   True  **False**

3. In the capitalist system, labor is considered the most important factor of production in jump-starting economic development.  
   True  **False**

4. Multinational corporations are a good source of capital.  
   True  **False**

5. Population growth is a positive factor in economic development.  
   True  **False**

6. Repatriation is when an MNC takes its profits out of the country it has invested in and instead returns them home.  
   True  **False**

7. The threat of default can often win a Third World country concessions from its lenders.  
   True  **False**

8. Debt forgiveness is a form of foreign aid.  
   True  **False**

9. The World Bank is closely associated with efforts to improve the economies of Third World countries.  
   True  **False**

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

The environment plays an important role in international relations. Why? What issues are there that concern the environment (i.e. population, natural resources)? What do these have to do with international relations?

**ACTIVITY** – **Reply in one paragraph.**

Read about OPEC at www.opec.org

Why is OPEC a good example of a cartel? Why has the group been so successful in its goals? What could another industry draw from a group like this?