Geography Test Population, 6c 19, Name: _Truttmann Nich_

.5

1. Explain the reason why development countries used to be called "third world". Why was there some criticism about this term? (2p)

> Countrys were categorised by thoir economic strenght: The stronges became the "first world". The middle, which happend to be the communistic states, became the "second world" and the poorest were named "third world". However this term was criticised for implying that the first world was superior to the third world. This clearly wasn't the inventors' intention.

2. Answer true statements with "yes", wrong ones with "no". (2p)

The GDP/p.cap is a social factor to identify disparities between countries _Yes_
Nepotism is a typical political indicator for LDC's _Yes_
Desertification is a potential indicator for underdevelopment _Yes_
The GDP also includes home-based activities and subsistence _No_
A low HDI is desirable for a country _No_
A high MPI is desirable for a country _Yes_
A low Gini Coefficient is desirable for a country _Yes_ → unless you think like nicola
Malawi has got a low Gini Coefficient but a high MPI _No_

2

3. What are the advantages of the MPI compared to the HDI? Why is it not used more often? (2p)

> Advantages: More acurate representation due to more factors. Not only the GDP is considered but also real purchasing power. ?
>
> It is complex to calculate. In many, especially poorer countrys, the information is not avaible. It is less known than the HDI. ?

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4. Yes or No again: (1.5p)

Switzerland is a LLDC _No_
South Corea belongs to the "Asian Tigers" _Yes_
The term NIC is similarly used as "highly developed countries" _No_
LDC can be translated as least developed countries or less developed countries _Yes_
OECD countries are among the countries with a higher GDP _Yes_
The informal sector is typical for OECD countries _No_

per capita

.5   **5.** Give three reasons why the GDP is not the best indicator to determine the development state of a country. (1.5p)

Domestic

1	It does not include the informal sector, which is very significant in development countries. ✓
2	It does not show the distribution of wealth among the population. There can be very big differences.
3	It does not account for the low Gewinne the countrys have from foreign companys located in their country.

⊘

1

6. Why the company of Mark Rich originally was founded in Switzerland? Two reasons. (2p)

What for?

① Switzerland had and still has very low Butlege taxes. This means they can do transferpricing through Switzerland. And they generally pay less taxes for everything they do. ⌄

⊖

② The Bankgeheimnis allowed the company to hide their illegal/barely legal activities from governments. ✓

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7. Why do you think that many people in Africa tend to believe more into the dependence theory than in the *modernisation* theory. (2p)

· Because they see how companies like glencore are stealing their ressources and destroying their environment. Thus their influence must be bad. ✓
· It is always easier to fault someone else for your problems.
· Before the time of colonialization, Africa used to lack behind less than they do now. ✓
· The people see their ressources and think they could be a more equal trading partner at the world market, if they were in

2

.5 8. How did the Lorenz curve change (in average over all the countries) within the last 50 years? Find two social problems caused by this. (2p)

It got flater in the lower part and steeper in the second part. (see image on right) ✓

· More poverty: More people don't have enough money to complete their dayly life. ✓
· More inegral distribution of wealth: The rich get richer, The middle class gets smaller and the poor get poorer.

Before
After

.5 9. What is the reason that russia reaches stage 5 in the DTM? What is the consequence for the pension age in this country? Explain. (2p)

· economic wellfare, more focused on work and career ⇒ less familis and thus children, They don't need their children (to look for them). ✓

the pension age will go up because there are less yong people to finance the pensions of the older people. ✓

Nicht bei

.5 10. What are the reasons for the underdevelopment of Bangladesh (no general statements, but facts about Bangladesh) after the modernisation theory? Answer in the same way after the dependency theory. (2p)

Whore!

Modernisation: The frequent flooding from the sea and the rivers. Deforestation → more floodings, corruption, Very steep? landmasses in the north can't be used properly, ? Vecly?

dependance theory: Industrialized contrys abuse Bangladesh as a cheep place to produce clothing. They can't do anything against because they aren't equal trading partners (due to their economy). ✓

11. Why Switzerland harbouring quite some raw material companies? Find two reasons. (1p)

· low taxes: Good for transfer pricing or generally
  paying less to the government.
· High stability and the neutrality: less fear that
  ressources will be taken by the state (for the army).
  Financial and political stability are optimal for a company
  to grow.

stability and neutral

Bonus question: Why the Norwegian findings concerning taxation of Mopane in Zambia were not leading to a better tax system? (1p)

Because the mining companies rejected the system
by striking and attacking it with their army of lawyers.
The strike lead to a complete shutdown and would have
lead into a crisis. To prevent this, the system was
never implemented.   *president did!*

Bonus from your homework and SOL assignment _____

'STEADY AS SHE GOES'