

Chapter 1

Introducing Economic Development: A Global Perspective

■ Multiple Choice

1. Countries tend to be classified as more or less developed based on
 - a. the literacy rate.
 - b. the poverty rate.
 - c. the level of income per capita.
 - d. the types of goods they produce.

Answer: C

2. Which of the following demonstrates international interdependence?
 - a. the oil shocks
 - b. the debt crisis
 - c. global warming
 - d. all of the above.

Answer: D

3. A subsistence economy is
 - a. a very low income economy.
 - b. an economy in which people make what they consume.
 - c. an economy in which people receive food for pay.
 - d. all of the above.

Answer: B

4. Development economics is the study of the
 - a. alleviation of absolute poverty.
 - b. transformation of institutions.
 - c. allocation of resources in developing countries.
 - d. all of the above.

Answer: D

5. Development economics must have a scope wider than traditional economics because
 - a. values and attitudes play little role in the pace of development.
 - b. people in developing societies do less utility-maximizing.
 - c. transformation of social institutions is necessary for development.
 - d. all of the above.

Answer: C

6. A good definition of the meaning of development is the
 - a. elimination of absolute poverty.
 - b. improvement in the quality of life.
 - c. fulfillment of the potential of individuals.
 - d. all of the above.

Answer: D

7. Which of the following is not an important objective of development?
- a. increases in per capita income
 - b. the expansion of available choices
 - c. increases in individual and national self-esteem
 - d. all of the above are important objectives of development

Answer: D

8. The Millennium Development Goals include
- a. eliminating the proportion of people living on less than \$1 per day.
 - b. universal primary education.
 - c. increasing exports by one half.
 - d. all of the above.

Answer: B

9. The core values of development include
- a. increasing income per person.
 - b. reducing the inequality of income.
 - c. the ability to meet basic needs.
 - d. all of the above.

Answer: C