

# **Chapter 2**

## **Comparative Economic Development**

## ■ Multiple Choice

1. An example of an upper-middle income country is

- a. India.
- b. Brazil.
- c. Indonesia.
- d. Nigeria.

**Answer: B**

2. A newly industrialized country is

- a. the same as a high-income country.
- b. any country that has experienced sustained growth in industry.
- c. a special classification given to some upper-middle income countries that have achieved relatively advanced manufacturing sectors.
- d. any country that has moved out of lower income status.

**Answer: C**

3. Which of the following is not an upper-middle income country?

- a. Brazil
- b. South Africa
- c. Pakistan
- d. Argentina

**Answer: C**

4. Which of the following is a low-income country?

- a. Mexico
- b. Thailand
- c. Turkey
- d. Bangladesh

**Answer: D**

5. One of the components of the human development index is

- a. the percentage of the population who are high school graduates.
- b. the average daily intake of protein.
- c. life expectancy at birth.
- d. the number of doctors per hundred people in the population.

**Answer: C**

6. What percent of the world's nations have at least five significant ethnic populations?

- a. 0–10
- b. 10–20
- c. 20–30
- d. 30–40
- e. over 40

**Answer: E**

7. What fraction of developing countries have recently experienced some form of significant interethnic conflict?
- a. less than one-tenth
  - b. a tenth to one-quarter
  - c. one quarter to one half
  - d. over one half

**Answer: D**

8. Which of the following African countries has experienced widespread death and destruction due to ethnic or clan based conflict in the previous decade?
- a. Rwanda
  - b. Sudan
  - c. Somalia
  - d. all of the above

**Answer: D**

9. Which measure uses a common set of international prices for all goods and services produced?
- a. purchasing power parity income levels
  - b. GNI price deflators
  - c. foreign exchange rate conversions to U.S. dollars
  - d. the exchange rate

**Answer: A**

10. The number of units of developing country currency required to purchase a basket of goods and services in a developing country that costs one dollar in the U.S. is given by
- a. GNI price deflator.
  - b. Human Development Index ranking.
  - c. purchasing power parity.
  - d. the exchange rate.

**Answer: C**

11. About how many people lack access to basic sanitation?
- a. 20 million
  - b. 200 million
  - c. 500 million
  - d. 1 billion
  - e. 2 billion

**Answer: E**

12. About how many people lack access to safe water?
- a. 20 million
  - b. 200 million
  - c. 500 million

- d. 1 billion
- e. 2 billion

**Answer: D**

13. About how many malnourished children under age five are there in the developing world?

- a. 20 million
- b. 150 million
- c. 500 million
- d. 1 billion
- e. 2 billion

**Answer: B**

14. Neutral technological progress occurs when

- a. higher output levels are achieved with the same quantity and combinations of factor inputs.
- b. higher output levels are achieved by more capital intensive methods.
- d. higher output levels are achieved by more labor intensive methods.
- e. higher output levels are achieved.

**Answer: A**

15. Conditions of today's developed countries at the start of their industrialization differ from conditions in the developing world in that

- a. population growth rates were higher.
- b. more advanced technology was available.
- c. there were more opportunities for development assistance.
- d. none of the above.

**Answer: D**

6. Most successful examples of modern economic growth have occurred in a country with

- a. a temperate-zone climate.
- b. a market economy.
- c. exports of manufactured goods.
- d. all of the above.

**Answer: D**

17. Which of the following is not an indicator that is used by the World Bank in measuring the level of economic development?

- a. life expectancy at birth.
- b. adult literacy rate.
- c. infant mortality rate.
- d. all of the above are not used by the World Bank.

**Answer: D**

18. The dependency burden is
- a. a measure of the degree to which the less developed countries are dependent on the rich industrial countries.
  - b. the average number of children that a woman gives birth to during her lifetime.
  - c. the number of babies born per 1000 persons.
  - d. the percent of the population that is below 15 and above 65 years of age.

**Answer: D**

19. How many people still live on less than the equivalent of \$1.25 per day (new definition of “extreme poverty”)?
- a. 100 million.
  - b. 500 million.
  - c. 1.4 billion.
  - d. 2.2 billion.

**Answer: C**

20. Which of the following is not an indicator that is used to compute the Human Development Index?
- a. life expectancy at birth.
  - b. real GDP per capita.
  - c. infant mortality rate.
  - d. adult literacy rate.

**Answer: C**

21. The combined GDP of developing countries constitutes approximately
- a. 5 percent of global GDP.
  - b. 20 percent of global GDP.
  - c. 30 percent of global GDP.
  - d. 40 percent of global GDP.

**Answer: D**

22. Developing countries are starting to converge with developed countries in the long run in what respect?
- a. Growth rate
  - b. Income inequality
  - c. Population
  - d. Per capita income

**Answer: D**

23. Which region in the world has the lowest GNI per capita based on the World Bank Atlas method?
- a. Sub-Saharan Africa
  - b. East Asia/Pacific
  - c. South Asia
  - d. Latin America/The Caribbean

**Answer: C**