

Economics
Chapters 8 – 9 & 17 – 18
Duke



Unit IV
“The Global Economy”

Chapter 8

Business Organization –

Proprietorship –

List three advantages of sole proprietorships

- 1.
- 2.
- 3.

List three disadvantages of sole proprietorships

- 1.
- 2.
- 3.

Partnership –

What are three advantages of partnerships?

- 1.
- 2.
- 3.



What are two disadvantages of partnerships?

- 1.
- 2.

Corporation –

What are three advantages of a Corporation?

- 1.
- 2.
- 3.

What are three disadvantages of a Corporation?

- 1.
- 2.
- 3.

What is “Double Taxation” as it relates to incorporation?

Give an example of each:

Vertical Merger –

Horizontal Merger –

Conglomerates –

Full Credit Stamp

Chapter 9

Equilibrium wage –

Describe the following:

	Definition	Types of Jobs
Unskilled Labor		
Semi-Skilled Labor		
Skilled labor		
Professional Labor		

Wage Discrimination –

What is the glass ceiling?



Labor Union –

Full Credit Stamp

Chapter 17

Describe the following reasons why nations trade?

Natural Resources –

Human Capital –

Physical Capital –

Unequal Resource Distribution –

Need for Trade –

Absolute Advantage-

Comparative Advantage-

Export –

Import –

Trade Barrier –



List and define three barriers to trade:

- 1.
- 2.
- 3.

Below are two effects of trade barriers; describe each:

1. Increased Prices for Foreign Goods –
2. Trade Wars –



What are three arguments for Protectionism?

- 1.
- 2.
- 3.

GATT –

WTO –

What is NAFTA & what are the key provisions?

Exchange Rate –

Calculate the exchange rate for a hotel room in Thailand using the following example:

Ex. A hotel room in Bangkok costs 600 bat per night and the exchange rate is 7.1. (Show your work)

Appreciation –

What does it mean when the dollar is “strong?”

Depreciation –

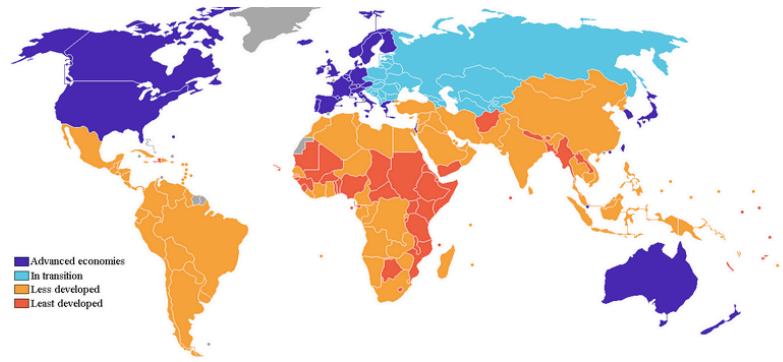
What does it mean when the dollar is “weak?”

Foreign Exchange Market –

Fixed Exchange Rate System –



Chapter 18



Developed Nations –

Less Developed Nations (LDC) –

Describe the seven ways to measure a country's development: (ON TEST)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

What are three characteristics of developed nations?

- 1.
- 2.
- 3.

What are three characteristics of less developed countries?

- 1.
- 2.
- 3.

Population Growth Rate –

Natural Rate of Population Increase –

What is the difference between growth rate and rate of population increase?

Describe two consequences of rapid population growth:

1.

2.

Malnutrition –

What is “brain drain” and how is it hurtful to LDCs?

Explain how government corruption holds back LDCs.

Internal Financing –

Foreign Investment –

Foreign Direct Investment –

Why would large multinational corporations (MNC) be attracted to less developed countries?

World Bank –

International Monetary Fund (IMF) –

Privatization-

Full Credit Stamp