

Our World Economics: Appendices

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*La mano amiga:
The Helping Hand Magazine*



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Appendix A: Ground Rules for Discussing Controversial Issues *

- Only one person may talk at a time – no interrupting.
- Show respect for the views of others.
- Challenge the ideas, not the people.
- Use appropriate language – no insults, or bigoted language.
- Allow everyone to express his/her view to ensure that everyone is heard and respected.
- Students should give reasons why they have a particular view.

* These guidelines are excerpted from the Oxfam International publication, *Global Citizenship Guide: Teaching Controversial Issues*. © 2006.

Appendix B: Vocabulary List

agriculture
arable land
barter
basket (of commodities)
beasts of burden
Capitalism
charter
colonialism, colonies
commerce
commodity
common goods
Communism
currency
demand
developing country
domestication
economic union
emerging market
emigration
exchange rate
export
First Nations
First World
foreign aid
free market
free trade
globalism, globalization
good
gross domestic product (GDP)
immigration
imperialism, empire
imports
indentured servants
industry, industrialization
industrialized nation
infant mortality rate
informal sector
infrastructure
international aid
investors
least developed country (LDC)
life expectancy at birth
literacy levels
market
market mechanisms
migration
natural resource
newly emerging market
opportunity cost
peon
per capita
poverty line
price
product
profit
renewable resources
sector
shares, shareholders
Socialism
socioeconomic indicators
supply
supply chain
sustainable development
Third World
trade

Appendix C: Glossary

agriculture

The cultivation and use of domesticated plants and animals to produce food and other needed products.

arable land

Land suitable for growing crops.

barter

To trade commodities and services without the use of money.

basket (of commodities)

An economic tool used to determine the relative prices of the same types of goods in different markets. For example, economists may use a basket including the price of housing, the price of healthcare, the price of groceries, the price of transportation, et cetera, to compare the cost of living in different cities.

beasts of burden

Large animals that can be used for labor. Examples include oxen, horses, mules, donkeys, camels and llamas.

Capitalism

An economic system shaped by private ownership of goods and competition within a free market. In a purely capitalist society, the government would not regulate any area of the economy. While many democratic nations rely on the forces of market mechanisms, there are actually no purely capitalist countries in existence.

charter

A contract between a government and a private institution empowering the institution to act largely independently on behalf of the government. For example, charter schools are public schools that receive public funding but behave with a great deal of autonomy.

colonialism, colonies

Colonialism refers to the process of establishing political and economic territories in new regions. Colonies refer to these new territories.

commerce

The trade of goods and services.

commodity

A product, good or service. Something that has commercial value and can be bartered or sold.

common goods

Resources such as wild-lands, air and waterways that belong to no single individual and are shared by the community.

Communism

A philosophy of economics developed by Karl Marx and Friederich Engels whereby the means of production and the profits of production are owned in common. Communism was conceived as an egalitarian form of society where “each contributes according to his abilities and each receives according to his needs.” In actuality, no successful communist society has every been realized. The former Soviet Union and modern day China are both examples of authoritarian governments overseeing highly stratified societies.

currency

The type of money used in a particular country or economic union. For example, euros, bolivianos, and yen are all forms of currency.

demand

The need or desire for a particular good or service. The more an item is in demand, the more people are willing to pay for that commodity. For example, during gas shortages, the price of gasoline may skyrocket.

developing countries

Poor, Third World countries.

domestication

The process whereby wild animals and plants are cultivated into species that serve people. Domestication took place at the dawn of civilization and was most likely a symbiotic process whereby people grew to rely more on certain species and, in turn, these species adapted to be more dependent upon and more useful to people.

economic union

A group of countries that share a common currency, common economic policies, and free trade of labor and services.

emerging market

Also called a “newly emerging market,” this is a term with two different, related meanings. An emerging market refers either to a new sector of goods or services that has recently appeared for sale; or, to a country that is producing new products and services to sell globally. For example, when South Korea successfully began to produce and sell electronic items abroad in the 1980s, economists and bankers began to refer both to Korea’s electronic devices and to the country of Korea as an emerging market.

Glossary

emigration

See migration.

exchange rate

The relative prices of two different currencies. For example the exchange rate between bolivianos and U.S. dollars has ranged between seven to over eight bolivianos per dollar.

exports

Goods and services that are created in one country and sold in another country. An example of an exported service is when help-line operators in India provide assistance for American companies to their American customers. "To export" means to transport goods for sale abroad or to sell services abroad.

First Nations

The indigenous (native) peoples who first inhabited a territory. The Indians of Canada, North America, and Latin America are all people of First Nations.

First World

A term referring to the world's wealthiest, most industrialized nations.

free market

An economic arena that is not constrained by politics or regulations. Theoretically, in a free market, the forces of supply and demand would organically insure that every supplier produces precisely the goods and services that customers want and need. (See also "market mechanisms.") In reality, free market mechanisms can be relied upon to serve much, but not all, of a population's needs.

free trade

The right to sell goods and services in other countries. Many countries enjoy extensive free trade, such as the United States and Canada. In other cases, trade may be highly restricted by tariffs (a type of tax); quotas (a limit on the amount of a commodity that may be imported); or even boycotted (prevented) altogether. The United States, for example, has boycotted all trade with the nation of Cuba since the 1960s.

globalism, globalization

Globalism refers to the worldwide networks of cultural, political and economic connections that extend across political borders and even continents. Globalization refers to the increase or decline in the rate of globalism.*

* Joseph Nye

good

Something that has value. Typically, an item, product or commodity that can be sold. (By contrast, see common goods.)

gross domestic product (GDP)

The amount of income that a nation's economy generates each year. The gross domestic product (GDP) is the sum total of every product (from pencils to fighter jets) and every service (from pedicures to brain surgery) that is sold in a country in a given year.

immigration

See migration.

imperialism, empire

Imperialism is the process of expansion of influence – political, economic and cultural – by an existing political entity. An empire is a political entity, typically multicultural and multinational, that has usually been established via aggressive expansionism.

imports

Goods that arrive in a country from abroad. The United States, for example, does not produce enough oil to meet all of its needs, and it imports oil from other oil producing nations. "To import" means to purchase goods or services from abroad.

indentured servants

Historically, individuals who sold a certain number of years of their life into servitude in return for specific benefits; in the case of the colonization of North America, these benefits were passage to the New World and an eventual land title.

industry, industrialization

Industry refers to the use of automation – factories and ordered systems of production – in order to quickly, efficiently produce goods. Industry also encompasses infrastructure such as means of transportation and communication. Industrialization refers to the growth of factories, automated production processes, and infrastructure in a particular region.

industrialized nation

A wealthy country with a high level of economic development. Typically, industrialized nations are countries in North America, western Europe and East Asia with developed systems of transportation and communication infrastructure, and with advanced means of production (ie, factories).

Glossary

infant mortality rate

The percentage of babies who will die during their infancy. It is a fact that not all children survive infancy, but the infant mortality rate is typically significantly higher in poorer countries that experience more hunger, disease, and poverty, and that have less access to healthcare.

informal sector

The informal sector refers to the sale of goods and services outside of normal legal frameworks. Work conducted “under the table,” and goods and services exchanged for money without the payment of taxes fall under the rubric of the informal sector.

infrastructure

The structures and systems that allow a country to exist as an integrated, commercially viable entity: roads, electricity, telephone systems, mass media, bridges, tunnels, ports, waterways, et cetera.

investors

Investors are individuals who pay money into a company or an endeavor with the expectation/hope of earning more money in the future.

least developed country (LDC)

LDCs are the world’s very poorest nations; most often, countries in Africa.

life expectancy at birth

The amount of years a newborn baby can be expected to live. A child born in the United States will, on average, live to be 78 years old, while a child born in Bolivia will most likely live to be 66 years old. Life expectancy at birth is a strong socioeconomic indicator of the wealth and the state of health of a nation.

literacy level

The percentage of the population that is able to read and write.

market

This is a term with more than one level of specificity. The market may refer, generally, to the purchase and sale of products and services. A market may also refer to a particular sector of goods and services, for example, the market for cellular phones or the market for sugar beets. A market may also, more specifically, refer to a sector in a particular region, for example, the market for honey in Bolivia.

market mechanisms

Forces such as supply, demand, unemployment, rates of saving, and levels of inflation that tend to push an economy in certain directions. Market mechanisms are those forces that shape an economy automatically without the intervention of governments.

migration

Migration refers to the process of people permanently moving across political borders. Immigration is the process of moving to a new country. Emigration is the process of moving away from one's home country. Poorer countries typically experience emigration and their citizens move away; wealthier countries usually experience immigration as people from other lands arrive to start new lives in a more favorable economic environment.

natural resource

Resources brought forth from the Earth and environment such as rivers, arable land, lumber, uranium, petroleum, and fisheries are natural resources. Natural resources refer to the valuable items – flora, fauna, geographical phenomena and minerals – that exist in a certain region.

newly emerging market

See “emerging market.”

opportunity costs

The options that are foregone (given up) when a particular economic choice is made. For example, the opportunity cost of purchasing a bicycle may be that one cannot afford to buy a pair of rollerblades.

peons

Poor people so exploited by land ownership and/or labor systems that they have no chance of attaining financial freedom.

per capita

Per capita is a Latin phrase meaning, literally, per head. In economic statistics, per capita means per person. For example, the gross domestic product (GDP) of a small, poor country of one million people might be four billion dollars. The GDP per capita – that is, the average share of the GDP available to each person – is \$4,000.

poverty line

The poverty line refers to a level of income. In any particular country, the poverty line will be different. Citizens with income above the poverty line generally have enough money to meet their basic needs each year. Citizens with income below the poverty line do not.

price

The amount of money required in exchange for a good or service. Traditionally, buyers will seek the lowest price possible while sellers will seek the highest price possible. A commodity's price is determined when both the buyer and the seller are willing to conclude a transaction.

Glossary

product

Something that is produced. Often, something that is created in order to be bartered or sold.

production chain

The steps required to transform raw materials into a sellable product.

profit

The amount of money earned from the sale of a commodity. "Gross profits" refer to all money collected from sales, regardless of the amount of resources invested in developing the commodity. "Net profits" refer to the amount of money actually earned; the profits from sales, *minus* the investments required to develop the product.

renewable resources

Resources that can be replaced and need not be depleted. For example, biofuels, produced from plant products are renewable while petrol fuels are not.

shares, shareholders

Shares are portions of a company that the company sells publicly in order to raise operating funds and to decrease its liability. Another word for shares is "stocks." Shareholders are those individuals who purchase company shares.

sector

A term used to divide a market into manageable parts. For example, one might refer to the automobile sector or the American automobile sector; to the agricultural sector, the European agricultural sector, or the soybean sector.

Socialism

Socialism is a theory of economics whereby the government controls some of the means of production. In reality, all modern economies are, to a greater or lesser extent, socialist. In the United States, for example, businesses and individuals must pay taxes. These taxes are used to fund public services such as roads, hospitals and schools. The Federal Reserve Board also controls interest rates. In this way, as in any other country, the U.S. government, to a certain extent, controls the economy and does not allow the complete free reign of market mechanisms.

socioeconomic indicators

Socioeconomic indicators are statistics that allow economists to understand and analyze the state of a country or region's economy.

supply

Supply refers to the availability of a product in the market. In general, the more an item is in supply, the less expensive its price, and vice versa. Water, for example, is generally available in the United States and generally inexpensive. Gasoline, on the other hand, is a much rarer commodity and is therefore more expensive.

supply chain

The supply chain refers to the series of steps required for a product to reach its customers.

sustainable development

Economic growth that meets the needs of the present generation without compromising the ability of future generations to meet their own needs*

Third World

This term refers to our world's poorer, less industrialized nations. Geographically, Third World countries are located primarily in Latin America, Africa and central Asia.

trade

In everyday English, trade refers to bartering. In international economics, trade refers to the exchange of goods and services in a particular sector or across political borders. For example, economists might analyze the international trade of petroleum, powdered milk, or tropical fruits, or, very generally, the trade of goods and services.

* World Commission on Environment and Development

Appendix D: Internet Resources

Note: Since Internet addresses change over time, this list provides only the names of Web sites. Any site should be easily accessible by using an Internet search engine.

BBC News

The British Broadcasting Corporation's Web site posts country profiles with political, economic, historic and social information.

Central Intelligence Agency

The CIA's World Factbook is available online to the general public and provides detailed information on the politics and economics of every country in the world.

The Economist Hamburger Index

A fun example of using baskets in order to index, or estimate, consumer pricing. Every year, *The Economist* magazine surveys the price of a hamburger in major cities across the world and posts this so-called "hamburger index."

Inter-American Bank for Reconstruction and Development

A member of the World Bank group focused on projects in Latin America.

Inter-American Foundation

This U.S. governmental agency supports sustainable development projects around the world and posts summaries of all of its awards.

International Bank for Reconstruction and Development (World Bank)

International organization dedicated primarily to large foreign aid projects. The site provides economic data and case studies on Third World countries as well as information on specific World Bank projects.

Oxfam International

Oxfam is a global nongovernmental organization dedicated to the eradication of world poverty. Their site provides ample information on world poverty and on economic relations between wealthy and poor nations.

UNESCO World Heritage Center

This site hosted by the United Nations Educational, Social and Cultural Organization includes a list of all of the United Nations-designated world heritage sites on the planet, descriptions of each site, and justifications for inclusion of each site on the list.

UNICEF: Information by Country

The United Nations Children’s Fund posts socioeconomic indicators related to wealth and poverty, and to children’s and mothers’ education and health.

United Nations Industrial Development Organization (UNIDO)

The UNIDO site offers country studies as well as project overviews of various development projects led by the United Nations.

United States Agency for International Development (USAID)

U.S. governmental agency dedicated to providing foreign aid. The site provides economic data on countries, and information on U.S. foreign aid projects abroad.

United States Department of State

The Department of State posts “State Department Briefs” on most of the world’s nations. These short summaries provide information on a country’s history, politics and economics.

World Population Clock

Real-time meter of estimated growth in world population.

World Trade Organization (WTO)

A recently established international organization. The WTO site provides current trade related information, as well as information on previous rounds of international trade talks.

Appendix E: Fast Facts for Educators: Global Economic Indicators (2007)

- 1.037 billion people do not have access to clean water.
- Almost 50 percent of all people in developing countries are suffering at any given time from a health problem due to lack of water and sanitation.
- Every year, 1.8 million children die from diarrhea that could have been prevented with access to clean water and a toilet.
- 110 million children in poor countries are not enrolled in grammar school.
- The twenty poorest countries in the world are all in Africa.
- Currently, about 41 percent of Africa's population is under age 15.
- The world's population is aging. By 2050, the United Nations estimates that half of total world population growth will be among people over 59.
- Rich countries continue to provide large amounts of governmental support to agriculture. In 2004, governmental support as a share of the value of agricultural production was 56 percent in Japan, 18 percent in the United States, and 33 percent in the European Union.
- European Union sugar fetches approximately 632 euros per ton; the world market price is 157 euros per ton.
- Military expenditures dwarf development expenditures in most wealthy countries. The United States spends 25 times as much on the military as it does on foreign aid.
- The United Nations Development Program names 16 countries where claims to natural resources have helped fuel long term conflicts.
- The United States has the highest degree of inequality of income of any developed country. The poorest 20 percent of the country earns less than seven percent of the country's income.
- The lifetime risk of maternal death is one in 4,000 in developed countries. In Latin America it is one in 160. In Africa, it is one in 15.5.
- In the world's poorest countries, 71 women can read for every 100 men who can read.
- In industrialized countries, the average woman will earn 57 percent of what a man earns in a lifetime.

Appendix F: Fast Facts for Educators: Bolivia (2007)

Geography

- A land-locked country in the middle of South America, Bolivia is bordered by Brazil, Paraguay, Argentina, Chile, and Peru.
- Bolivia is approximately as large as Texas and California put together.
- Lake Titicaca, the world's highest commercially navigable lake, lies on the border between Bolivia and Peru. Lake Titicaca is 12,500 feet above sea level.
- Bolivia's political capital is Sucre. Bolivia's administrative capital, La Paz, is the world's highest capital city. At almost 12,000 feet above sea level, La Paz is over twice as high as Denver and even higher than Timbuktu.
- The western portion of the country is dominated by the Andes. The eastern portion is low altitude, tropical and subtropical, and includes Amazonian tributaries.

Economy

- The Republic of Bolivia is currently ranked as the poorest country in South America. In all of Latin America, Bolivia is the second poorest country, after Haiti.
- National Gross Domestic Product (GDP) in 2005 was \$23.73 billion. Annual GDP per capita is approximately \$3,000 per year.
- Bolivia conducts most of its trade with Brazil, the United States, Peru, Argentina, Colombia, Chile, China and Japan.
- Latin America's largest natural gas reserves are found in Bolivia, but the industry is not fully developed. The country also has petroleum reserves.
- Bolivia used to be a mining country with rich resources of metals including tin, silver, iron, lead and gold. Most of these have now been depleted. Some economists estimate that over \$200 billion in natural resources were appropriated from Bolivia during the colonial period.
- The country's main agricultural products include soybeans, coffee, coca, cotton, corn, sugarcane, rice, potatoes and timber.
- Exports in 2005 were estimated to total \$2.371 billion in mostly natural gas, soybeans and soy products, crude petroleum, zinc ore, and tin.
- Imports in 2005 were estimated to total \$1.845 billion, mostly in petroleum products, plastics, paper, aircraft and aircraft parts, prepared foods, automobiles, insecticides, and soybeans.

Ancient History

- Before the Spanish conquered South America, western Bolivia was part of the Inca civilization.
- Bolivia was also home to an ancient civilization, the Tiahuanacu, that preceded the Incas. In the 500 years of their empire, the Tiahuanacu developed an extensive agricultural system of raised fields, canals and aqueducts that were later used by the Incas.
- Numerous indigenous groups have lived in Bolivia since prehistoric times, and the country has over 30 Indian groups today. Examples of ancient cave paintings and cave carvings have been found at several sites across the country.

Modern History

- The Spaniards defeated the Incas and colonized Bolivia in the mid 16th Century.
- The country won independence from the Spaniards in 1825 and took its name from Simon de Bolivar, the general who led the fight for liberation in what are now Venezuela, Colombia, Ecuador, Peru, Panama and Bolivia.
- Bolivia went through a series of unsuccessful wars over the course of 50 years: In 1884, the country lost its access to the ocean to Chile in the War of the Pacific. In 1903, Bolivia ceded a large province of land, rich in rubber, to Brazil. In 1935, after the Chaco Wars, Bolivia also lost a large piece of territory to Paraguay.
- Ernesto (Che) Guevara attempted an unsuccessful guerrilla revolution in Bolivia in 1965, and he was captured and killed by the Bolivian army in the town of La Higuerra in 1967.

Politics

- Modern Bolivia has seen many changes. From 1967 to 1982, the country lived through a series of military coups.
- The country has experienced much unrest and rioting, and one president, Gonzalo Sánchez de Lozada, resigned from office in 2003 due to widespread protests.
- The current president, Evo Morales, is the first indigenous leader of the country. Morales has been highly criticized for undemocratic practices.

Society

- There are over seven million people in Bolivia belonging to more than 30 ethnic groups. About 55 percent of the country are Indians and about 30 percent are mestizo (of more than one heritage.) About 15 percent identify themselves as descendants of the Spaniards (Hispanos).
- Bolivia has four official languages: Spanish, Aymara, Quecha and Guaraní. The latter three are all Indian languages.
- Coca, the plant that cocaine is made from, is used in everyday life in the high altitude regions of Bolivia. Coca herbal teas are very popular. The plant is a mild stimulant that helps the body to absorb oxygen.
- Western and eastern Bolivia are culturally very different, with clear rivalries between the two regions. Westerners are known as “Collas” and Easterners are known as “Cambas.”

Appendix G: *Our World Economics* Final Exam and Answer Key

Our World Economics: Final Exam: Answer Key

I. Fill in the blanks: 2 POINTS EACH

Note: For some questions, more than one answer is possible.

- 1) The formal definition of economics is the ALLOCATION of scarce resources.
- 2) If your t-shirt says it was made in China, it was IMPORTED from China.
- 3) The Gulf States are major EXPORTERS of oil to the rest of the world.
- 4) Wealthy nations such as Germany and Australia are sometimes referred to as the THE FIRST WORLD or INDUSTRIALIZED NATIONS.
- 5) Poorer countries in Africa, central Asia and Latin America are sometimes called THE THIRD WORLD, or DEVELOPING COUNTRIES.
- 6) A cost of living index is a commodities BASKET that indicates the price of living in a particular area.
- 7) The process of establishing new goods and services that respect the social and natural environment is referred to as SUSTAINABLE DEVELOPMENT.
- 8) The quantity of a product available for purchase is known as the SUPPLY.
- 9) The extent to which customers wish to purchase a particular product or service is referred to as the DEMAND.
- 10) Countries that are creating new goods and services for sale internationally and whose economies are growing are often referred to as EMERGING MARKETS or NEWLY EMERGING MARKETS.

TOTAL POINTS POSSIBLE: 20

II. Below are socioeconomic indicators concerning two imaginary countries:

2 POINTS EACH

	Ourlandia	Cosmotania
GDP per capita	\$1,500	\$32,000
Population below poverty line	28%	9%
Infant mortality rate	11/1,000	2.7/1,000
Ave. life expectancy at birth	68 years	74 years
Literacy level	83%	97%
Exports	.5 billion dollars	6.5 billion dollars

1) Which country is wealthier?

COSMOTANIA

2) Which country participates more in international trade?

COSMOTANIA

3) Which country has a better general level of health?

COSMOTANIA

4) Which country experiences generally higher levels of education?

COSMOTANIA

5) Name two geographic regions where Cosmotania could likely be located.

EUROPE, NORTH AMERICA, EAST ASIA or AUSTRALIA

6) Name two geographic regions where Ourlandia could likely be located.

LATIN AMERICA, AFRICA, or CENTRAL ASIA

TOTAL POINTS POSSIBLE: 12

III. Short Answers: 3 POINTS EACH

1) If the exchange rate between bolivianos and dollars is seven bolivianos per dollar, how many bolivianos can a traveler purchase with \$500?

500 X 7 = \$3,500 BOLIVIANOS

2) If this same traveler spends the \$500 in Bolivia, how much will he or she be able to purchase compared to in the United States? Why?

THE TRAVELLER WILL BE ABLE TO PURCHASE MORE IN BOLIVIA, BECAUSE THE COST OF LIVING IS LOWER THAN IN THE UNITED STATES AND BECAUSE THE EXCHANGE RATE IS FAVORABLE TO THE DOLLAR.

3) Provide three reasons why colonialism in North America was more conducive to the development of a successful capitalist system than colonialism in South America:

- 1) STRONGER SYSTEMS OF SELF GOVERNMENT
- 2) ESTABLISHED MEANS OF PRODUCTION
- 3) ESTABLISHED SYSTEMS OF COMMERCE
- 4) MINIMUM INTERVENTION BY MOTHER COUNTRY
- 5) MORE HOMOGENOUS SOCIETIES

4) Provide three reasons why agriculture probably developed more quickly in Eurasia than on other continents:

- 1) MORE NATIVE DOMESTICABLE PLANTS
- 2) MORE NATIVE DOMESTICABLE ANIMALS
- 3) FAVORABLE CLIMATE
- 4) ABUNDANT ARABLE LAND
- 5) RELATIVELY FEWER DESERTS AND MOUNTAIN RANGES

5) What is an "opportunity cost"? Include an example of an opportunity cost in your answer.

OPPORTUNITY COSTS REFER TO THOSE OPTIONS FORGONE WHEN ONE MAKES A PARTICULAR DECISION. FOR EXAMPLE, THE OPPORTUNITY COST OF SPENDING LUNCH MONEY ON SOFT DRINKS IS THAT ONE GIVES UP ONE'S LUNCH.

6) If you needed to look up basic economic information about Zimbabwe, what are three Web sites that you could visit?

CIA WORLD FACTBOOK, USAID, US STATE DEPARTMENT, UNIDO, UNICEF, WORLD BANK, WORLD TRADE ORGANIZATION

7) What are the two main forces that determine the price of a commodity? How do these forces interact to determine price?

SUPPLY AND DEMAND. WHEN SUPPLY AND DEMAND ARE EQUAL, PRICE IS STABLE.

TOTAL POINTS POSSIBLE: 21

IV. Place the following production and supply chain for widgets in the correct order: (More than one answer may be possible.) 1 POINT EACH

- 4 Widgets manufactured.
- 3 Raw materials shipped to factory in Detroit.
- 1 or 2 Raw materials purchased in California.
- 7 Customers purchase widgets at local stores.
- 6 Midwest retailers purchase from wholesalers.
- 1 or 2 Manufacturer purchases raw materials in Mexico.
- 5 Wholesaler in Lansing purchases widgets.

TOTAL POINTS POSSIBLE: 7

V. Short Essays: 20 POINTS EACH

Select two of the three case studies presented in *Our World Economics*:

- a) *World Store*: Grocery shopping in Santa Cruz
- b) *What's All the Buzz About?* Honeybee farming
- c) *Rivers and Ruins*: Samaipata and Amboró

What were the main lessons to be learned from each case study? Discuss at least five concrete examples in both of your essays.

a) WORLD STORE

- 1) FIRST WORLD, THIRD WORLD, EMERGING MARKETS
- 2) DIFFERENCES BETWEEN STANDARDS OF LIVING IN THE FIRST AND THIRD WORLDS
- 3) IMPORTANCE OF EARLY AGRICULTURE TO THE DEVELOPMENT OF ECONOMIES
- 4) SOCIOECONOMIC INDICATORS OF WEALTH AND POVERTY
- 5) IMPORTING AND EXPORTING
- 6) DIFFERENT CURRENCIES AND EXCHANGE RATES

b) WHAT'S ALL THE BUZZ ABOUT?

- 1) HISTORY OF DOMESTICATION
- 2) COLONIAL HISTORY OF BOLIVIA

- 3) INNOVATION OF NEW PRODUCTS
- 4) SUPPLY CHAIN
- 5) SUPPLY, DEMAND AND PRICE

c) RIVERS AND RUINS

- 1) MECHANISMS OF CULTURAL PRESERVATION
- 2) MECHANISMS OF NATURAL PRESERVATION
- 3) COMMON GOODS
- 4) OPPORTUNITY COSTS
- 5) NEED TO USE PARK LANDS TO GENERATE INCOME
- 6) SUSTAINABLE PROJECTS - BEEKEEPING, COCOA GROWING

TOTAL POINTS POSSIBLE: 40

TOTAL POINTS IN EXAM: 100

Our World Economics: Final Exam

I. Fill in the blanks:

Note: For some questions, more than one answer is possible.

- 1) The formal definition of economics is the _____ of scarce resources.
- 2) If your t-shirt says it was made in China, it was _____ from China.
- 3) The Gulf States are major _____ of oil to the rest of the world.
- 4) Wealthy nations such as Germany or Australia are sometimes referred to as _____.
- 5) Poorer countries in Africa, central Asia and Latin America are sometimes called _____.
- 6) A cost of living index is a commodities _____ that indicates the price of living in a particular area.
- 7) The process of establishing new goods and services that respect the social and natural environment is referred to as _____.
- 8) The quantity of a product available for purchase is known as the _____.
- 9) The extent to which customers wish to purchase a particular product or service is referred to as the _____.
- 10) Countries that are creating new goods and services for sale internationally and whose economies are growing are often referred to as _____.

II. Below are socioeconomic indicators concerning two imaginary countries:

	<u>Ourlandia</u>	<u>Cosmotania</u>
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6) If you needed to look up basic economic information about Zimbabwe, what are three Web sites that you could visit?

7) What are the two main forces that determine the price of a commodity? How do these forces interact to determine price?

IV. Place the following production and supply chain for widgets in the correct order: (More than one answer may be possible.)

- ___ Widgets manufactured.
- ___ Raw materials shipped to factory in Detroit.
- ___ Raw materials purchased in California.
- ___ Customers purchase widgets at local stores.
- ___ Midwest retailers purchase from wholesalers.
- ___ Manufacturer purchases raw materials in Mexico.
- ___ Wholesaler in Lansing purchases widgets.

V. Short Essays

Select two of the three case studies presented in *Our World Economics*:

- a) *World Store*: Grocery shopping in Santa Cruz
- b) *What’s All the Buzz About?* Honeybee farming
- c) *Rivers and Ruins*: Samaipata and Amboró

What were the main lessons to be learned from each case study? Discuss at least five concrete examples in both of your essays.

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