

Student I.D. _____

Economics 536
Comparative Economics
Wednesday, February 12, 2003
8:50-9:25
E. Wayne Nafziger
Waters 350
1st Quiz

Fill out your answer card with a number 2 pencil with the best response among the options, indicating student ID number and answers for the 12 multiple-choice questions. Note that the 12 multiple-choice questions count 36 points.

1. Among those economies for which we have growth records, which of the following were among the fastest growing economies, 1870-1998, and which were among the slowest growing economies, 1870-1998?
 - a. Argentina, Japan, the United States, and Uruguay were among the fastest growers, and Britain, Canada, Norway, and Russia-USSR among the slowest growers.
 - b. Argentina, Norway, the United States, and Uruguay were among the fastest growers, and Canada, Britain, Japan, and Russia-USSR among the slowest growers.
 - c. Canada, Britain, Japan, and Russia-USSR were among the fastest growers, and Argentina, Norway, the United States, and Uruguay among the slowest growers.
 - d. Canada, Japan, Norway, and the United States were among the fastest growers, and Argentina, Britain, Russia-USSR, and Uruguay among the slowest growers.
 - e. Canada, Norway, Russia-USSR and Uruguay were among the fastest growers, and Argentina, Britain, Japan, and the United States among the slowest growers.

2. Schnitzer emphasizes the economic dominance of the United States. In which of the following did the United States rank first among nations at the end of the 20th century?
 - a. child survival
 - b. equality of income distribution
 - c. government tax collection as a percentage of GDP
 - d. real GDP

e. the UN's human development index

3. Which of the following institutions were established at Bretton Woods?

a. The International Monetary Fund and World Bank.

b. The International Monetary Fund and World Trade Organization.

c. The International Monetary Fund, World Bank, and World Trade Organization.

d. The World Bank and World Trade Organization.

e. None of the above is correct.

4. The beginning of capitalism as the dominant economic system in the West was during

a. the breakup of feudalism from the fifteenth to the eighteenth centuries.

b. the fall of communism in 1991.

c. the fall of the Roman Empire.

d. the opening of the U.S. frontier in the nineteenth century.

e. None of the above is correct.

5. Which of the following are institutions of capitalism?

a. price system, private property, and a democratic government.

b. price system, private property, and profit motive.

c. price system, profit motive, and a democratic government

d. private property, profit motive, and a democratic government

e. All of the above are correct.

6. US capitalism is especially characterized by

- a. communitarianism.
- b. competition.
- c. individualism.
- d. both a and b.
- e. both b and c.

7. Japan's *ringi* system refers to

- a. Consensus management decision-making in large corporations.
- b. Decision-making within retail trade.
- c. Decision-making within the household..
- d. Hierarchical management decision-making in large corporations.
- e. None of the above.

8. Income inequality in Japan

- a. is about the same as the United States and ranked about in the middle among rich capitalist economies.
- b. is higher than the United States and ranked about in the middle among rich capitalist economies.
- c. is higher than the United States and ranked among the highest in rich capitalist economies.
- d. is lower than the United States and ranked among the lowest in rich capitalist economies.
- e. is lower than the United States and ranked about in the middle among rich capitalist economies.

9. The weaknesses of the Japanese economy include

- a. excessive individualism.
- b. government hands-off policies.
- c. high poverty rates.
- d. industrial cartels.
- e. low public educational rates.

10. Which of the following is characteristic of Japan, 1868 to the 1930s?

- a. The development of a central banking system
- b. The development of concentrated economic power
- c. The learning of Western technology
- d. A major economic role for the state
- e. All of the above are true.

11. Which of the following contributed to the end of Japan's fast economic growth during the last one to two decades?

- a. diminishing returns to capital
- b. exhaustion of the advantages of technical backwardness
- c. high bad debts as banks interlocked with industries.
- d. uncompetitive domestic industries.
- e. All of the above are correct.

12. Japan protected domestic industry since 1990 through

- a. buying yen.
- b. informal protection.
- c. high tariffs.
- d. subsidizing foreign investment.
- e. None of the above is correct.

Key 1st quiz

1. D. Among those economies for which we have growth records, which of the following were among the fastest growing economies, 1870-1998, and which were among the slowest growing economies, 1870-1998? d. Canada, Japan, Norway, and the United States were among the fastest growers, and Argentina, Britain, Russia-USSR, and Uruguay among the slowest growers. 2. D. Schnitzer emphasizes the economic dominance of the United States. In which of the following did the United States rank first among nations at the end of the 20th century? d. real GDP. 3. A. Which of the following institutions were established at Bretton Woods? a. The International Monetary Fund and World Bank. 4. A. The beginning of capitalism as the dominant economic system in the West was during a. the breakup of feudalism from the fifteenth to the eighteenth centuries. 5. B. Which of the following are institutions of capitalism? b. price system, private property, and profit motive. 6. E. US capitalism is especially characterized by e. both b and c (competition and individualism). 7. A. Japan's *ringi* system refers to a. Consensus management decision-making in large corporations. 8. D. Income inequality in Japan d. is lower than the United States and ranked among the lowest in rich capitalist economies. 9. D. The weaknesses of the Japanese economy include d. industrial cartels. 10. E. Which of the following is characteristic of Japan, 1868 to the 1930s? e. All of the above (the development of a central banking system, the development of concentrated economic power, the learning of Western technology, and a major economic role for the state) are true. 11. E. Which of the following contributed to the end of Japan's fast economic growth during the last one to two decades? e. All of the above (diminishing returns to capital, exhaustion of the advantages of technical backwardness, high bad debts as banks interlocked with industries, and uncompetitive domestic industries) are correct. 12. B. Japan protected domestic industry since 1990 through b. informal protection.

Student I.D. _____

Economics 536
Comparative Economics

Friday, March 14, 2003

8:30-9:25

E. Wayne Nafziger

Waters 350

1st One-Hour Examination

Fill out your answer card with a number 2 pencil with the best response among the options, indicating student ID number and answers for the 16 multiple-choice questions. Note that the 16 multiple-choice questions count 48 points, the first essay (#17) counts 27 points, and the last essay, 25 points.

Be sure to put your name and student ID number on the top of the page for both essay questions. Allocate your time carefully.

1. Which country has the highest income inequality (that is, highest Gini coefficient)?
 - a. France
 - b. Germany
 - c. Nigeria
 - d. South Africa
 - e. the United States

2. The reason for the collapse of the Soviet economy included
 - a. the low literacy rate.
 - b. the low percentage of defense expenditures to GNP.
 - c. the low rate of technological progress.
 - d. the low savings rate.
 - e. None of the above is correct.

3. Compared to the economies of Western Europe and the United States, Russia-USSR had
 - a. fast growth in the four decades of so before World War I, fast growth in the decade or so before World War II, and fast growth in the last quarter of the 20th century.
 - b. fast growth in the four decades of so before World War I, fast growth in the decade or so before World War II, and slow growth in the last quarter of the 20th century.
 - c. fast growth in the four decades of so before World War I, slow growth in the decade or so before World War II, and slow growth in the last quarter of the 20th century.
 - d. slow growth in the four decades of so before World War I, slow growth in the decade or so before World War II, and slow growth in the last quarter of the 20th century.
 - e. slow growth in the four decades of so before World War I, fast growth in the decade or so before World War II, and slow growth in the last quarter of the 20th century.

4. Which of the following was Lenin's idea in November 1917?
 - a. Capitalist development had become established in Russia.
 - b. State capitalism was a stage between capitalism and socialism.
 - c. The Communist party was the vanguard of the proletariat.
 - d. The democratic dictatorship of the proletariat and peasantry.
 - e. All of the above are correct.

5. Which of the following was a period of decentralized reform during the Soviet period, 1917-91?
 - a. Chernenko's plans (1980s)
 - b. New Economic Policy (1920s)
 - c. Post-World War II (early 1950s)
 - d. Stalin's 1930s' plans.
 - e. None of the above is correct.

6. According to contemporary Marxists, the sparcity of successful workers' revolutions in the West can be attributed to
 - a. capitalists' divide and rule tactics.
 - b. exploitation of workers outside the West.
 - c. false consciousness supporting ruling-class ideologies.
 - d. the capitalist state's powerful legal, police, and military machinery.
 - e. All of the above are correct.

7. Marx's theory includes the following:
 - a. absence of class antagonisms.
 - b. alienation of the bourgeoisie from the product of their work.
 - c. communism as a centralized state.
 - d. materialist interpretation of history.
 - e. None of the above is correct.

8. How did 20th century socialist parties in England, France, and Germany expect to establish socialism?
 - a. by centralized domination.
 - b. by vanguard of the working class.
 - c. by workers' revolution.
 - d. under a democracy.
 - e. None of the above is correct.

9. Which of the following countries had the fastest rate of yearly growth of real GNP per capita, 1870-1998?
- Australia
 - France
 - Germany
 - Japan
 - the United States
10. The Marxian dialectic involves, in order, the following economic stages:
- capitalism, feudalism, communism, and socialism.
 - capitalism, feudalism, socialism, and communism.
 - feudalism, capitalism, socialism, and communism.
 - feudalism, socialism, communism, and capitalism.
 - socialism, communism, capitalism, and high-consumption society.
11. The dual nature of Japanese industry involves the following two sectors:
- commercial banks and savings and loans banks.
 - competitive exports and uncompetitive domestic industries.
 - the sogo shosha and the zaibatsu
 - None of the above is true.
12. Which of the following statements about East Germany is false?
- East Germany's income per person was higher than West Germany's before World War II.
 - East Germany's living standards are higher than other former communist Eastern European countries.
 - East Germany had a lower industrial productivity than West Germany in 1988-90.
 - Employee per enterprise in East Germany is higher than that in West Germany.
 - The unemployment rate in East Germany is lower than in West Germany.
13. Which of the following is a major feature of the German economy?
- centralized planning.
 - lack of social security.
 - regulation of business hours.
 - state ownership of property.
 - use of progressive income tax.

14. Since the early 1960s
 - a. food production per capita has declined worldwide.
 - b. food production per capita has declined worldwide except in East Asia.
 - c. food production per capita has increased worldwide although food production per capita in sub-Saharan Africa has declined
 - d. food production per capita has increased worldwide although food production per capita in Latin America, the Middle East, and sub-Saharan Africa has declined
 - e. food production per capita has remained about the same worldwide

15. Which country has the highest poverty rate?
 - a. Brazil
 - b. Ethiopia
 - c. India
 - d. Kenya
 - e. South Africa

16. The highest percentage of the adult population infected with HIV or suffering from AIDS is in
 - a. China
 - b. India
 - c. Ivory Coast
 - d. Russia
 - e. Zimbabwe

Student I.D. _____
Name _____

Essay question (27 points) – you can write on both the front and the back of this sheet.

17. Compare Marx's and Weber's explanations for the relationship between religious values, on the one hand, and economic structure and system, on the other.

Student I.D. _____
Name _____

Essay question (25 points) – you can write on both the front and the back of this sheet.

18. Write on *one* of the following three questions:

- a. Discuss the reasons for Africa's poor economic performance in the last 50 years.
- b. Evaluate the performance of the Nigerian economy and indicate the reasons for Nigeria's performance.
- c. Evaluate the performance of the South African economy and indicate the reasons for South Africa's performance.

Key to 1st one-hour examination. 1. D. Which country has the highest income inequality (that is, highest Gini coefficient)? d. South Africa. 2. C. The reason for the collapse of the Soviet economy included c. the low rate of technological progress. 3. E. Compared to the economies of Western Europe and the United States, Russia-USSR had e. slow growth in the four decades of so before World War I, fast growth in the decade or so before World War II, and slow growth in the last quarter of the 20th century. 4. E. Which of the following was Lenin's idea in November 1917? e. All of the above (Capitalist development had become established in Russia; state capitalism was a stage between capitalism and socialism; the Communist party was the vanguard of the proletariat; and the democratic dictatorship of the proletariat and peasantry) are correct. 5. B. Which of the following was a period of decentralized reform during the Soviet period, 1917-91? b. New Economic Policy (1920s). 6. E. According to contemporary Marxists, the scarcity of successful workers' revolutions in the West can be attributed to e. All of the above (capitalists' divide and rule tactics, exploitation of workers outside the West, false consciousness supporting ruling-class ideologies, and the capitalist state's powerful legal, police, and military machinery) are correct. 7. D. Marx's theory includes the following: d. materialist interpretation of history. 8. D. How did 20th century socialist parties in England, France, and Germany expect to establish socialism? d. under a democracy. 9. D. Which of the following countries had the fastest rate of yearly growth of real GNP per capita, 1870-1998? d. Japan. 10. C. The Marxian dialectic involves, in order, the following economic stages: c. feudalism, capitalism, socialism, and communism. 11. B. The dual nature of Japanese industry involves the following two sectors: b. competitive exports and uncompetitive domestic industries. 12. E. Which of the following statements about East Germany is false? e. The unemployment rate in East Germany is lower than in West Germany. 13. C. Which of the following is a major feature of the German economy? c. regulation of business hours. 14. C. Since the early 1960s c. food production per capita has increased worldwide although food production per capita in sub-Saharan Africa has declined. 15. B. Which country has the highest poverty rate? b. Ethiopia. 16. E. The highest percentage of the adult population infected with HIV or suffering from AIDS is in e. Zimbabwe.

Student I.D. _____

Economics 536
Comparative Economics
Wednesday, April 30, 2003
8:50-9:25
E. Wayne Nafziger
Waters 350
2nd One-hour Examination

Fill out your answer card with a number 2 pencil with the best response among the options, indicating student ID number and answers for the 16 multiple-choice questions. Note that the 16 multiple-choice questions count 48 points, the first essay (#16) counts 27 points, and the last essay, 25 points.

Be sure to put your name and student ID number on the top of the page for both essay questions. Allocate your time carefully.

1. After 1991, the nomenklatura, those having access to government positions during the Soviet period,
 - a. comprised most of the poor under capitalism.
 - b. concentrated on national economic performance rather than control.
 - c. lost position to those further down the political hierarchy.
 - d. positioned itself to control the new economy.
 - e. restored detailed state planning.

2. From 1990 to 2001, consumer prices in Russia
 - a. fell by less than 1%.
 - b. fell by more than 5%.
 - c. increased less than 100%.
 - d. increased more than 15-fold.
 - e. stayed about the same.

3. A soft budget constraint refers to
 - a. banks continuing to lend to losing enterprises.
 - b. rigid tax rates with no flexibility.
 - c. serious consequences from an enterprise deficit.
 - d. stingy lending policies by banks.
 - e. uniform tax rates for enterprises.

4. The transitional economies with the fastest economic growth between 1989 and 2001 include
 - a. Czech Republic, Hungary, Poland, Russia, and Slovakia.
 - b. Czech Republic, Hungary, Poland, Slovakia, and Slovenia
 - c. Hungary, Poland, Russia, Slovenia, and Ukraine.
 - d. Hungary, Poland, Russia, Slovakia, and Slovenia
 - e. Hungary, Poland, Slovakia, Slovenia, and Ukraine

5. Which of the following countries has the highest poverty rate?
 - a. Brazil.
 - b. China.
 - c. Mexico.
 - d. Nigeria.
 - e. South Africa.

6. The adult female literacy rate as a proportion of the adult male literacy rate is lowest in which of the following countries?
 - a. Chile.
 - b. Haiti.
 - c. India.
 - d. Italy.
 - e. Kenya.

7. For which of the following does the numerical value of the indicator in India exceed that of China?
 - a. dollar value of exports.
 - b. gini coefficient of income inequality.
 - c. life expectancy at birth.
 - d. population.
 - e. poverty rate (percentage of population).

8. Choose the response that correctly ranks India's annual rate of growth in income per capita in ascending order (from lowest to highest).
 - a. 1906-1945, 1950-1980, 1980-1990, 1990-1998.
 - b. 1950-1980, 1906-1945, 1990-1998, 1980-1990.
 - c. 1980-1990, 1950-1980, 1906-1945, 1990-1998.
 - d. 1990-1998, 1906-1945, 1950-1980, 1980-1990.
 - e. 1990-1998, 1980-1990, 1906-1945, 1950-1980.

9. Which of the following are components of India's liberalization reforms since 1991?
- delicensing, deregulation, income tax reductions, price decontrol, and privatization.
 - delicensing, deregulation, income tax reductions, price decontrol, and spending increases.
 - delicensing, deregulation, income tax reductions, privatization, and spending increases.
 - delicensing, deregulation, price decontrol, privatization, and spending increases.
 - delicensing, income tax reductions, price decontrol, privatization, and spending increases.
10. Contradictory claims by India and Pakistan to Kashmir arise because of
- differences between the two countries in their economic growth rates.
 - India's identity as a secular state and Pakistan's as an Islamic state.
 - India being a democracy and Pakistan being a military government.
 - All of the above are correct.
 - None of the above is correct.
11. An example of an overvalued Indian rupee is
- an exchange rate of Rupees 35=\$1 when the market-clearing exchange rate is Rupees 70=\$1.
 - an exchange rate of Rupees 70=\$1 when the market-clearing exchange rate is Rupees 35=\$1.
 - an exchange rate that increases the demand for Indian goods.
 - an exchange rate that spurs the demand for exports.
 - effort by the Indian central bank to limit foreign visitors' purchase of rupees.
12. China decided to reform its economy in 1977-80 for every reason except the following:
- China's consumption levels were falling further behind its Asian neighbors.
 - Mao Zedong, a founder of China's communism, had died.
 - The collapse of communism in the Soviet Union.
 - The great waste and inefficiency during the Cultural Revolution.
 - The incentives of wage differentials had been removed.
13. What happened to direct foreign investment (DFI) in China after 1976?
- DFI in China reached a level higher than in any other developing economy.
 - DFI by Japan increased substantially.
 - DFI by overseas Chinese increased substantially.
 - DFI by the West increased substantially.
 - All of the above are correct.

14. The fastest growth in manufacturing industry in China after 1979 occurred in
- a. the bank-owned sector.
 - b. the peoples' communes.
 - c. the private, town, and village enterprise sector.
 - d. the state-owned enterprise sector.
 - e. None of the above is correct.
15. For the Czech Republic, Hungary, and Poland, the next transitional stage is scheduled to be
- a. ceasing centralized planning.
 - b. joining the European Union.
 - c. quitting COMECON.
 - d. rejoining the Soviet Union.
 - e. None of the statements above is true.
16. Which country went farthest on the road to a market economy before communism collapsed in late 1989?
- a. Bulgaria.
 - b. Czechoslovakia.
 - c. Hungary.
 - d. Poland.
 - e. Romania.

Student I.D. _____
Name _____

Essay question (27 points) – you can write on both the front and the back of this sheet.

17. Compare China's and Russia's paths toward liberalization reforms in the last three decades. Discuss.

Student I.D. _____
Name _____

Essay question (25 points) – you can write on both the front and the back of this sheet.

18. Compare the recent economic development of India and sub-Saharan Africa.
Discuss. (Alternative question: you may substitute *one* of the sub-Saharan African
countries for sub-Saharan Africa.)

1. D. After 1991, the nomenklatura, those having access to government positions during the Soviet period, d. positioned itself to control the new economy. 2. D. From 1990 to 2001, consumer prices in Russia d. increased more than 15-fold. 3. A. A soft budget constraint refers to a. banks continuing to lend to losing enterprises. 4. B. The transitional economies with the fastest economic growth between 1989 and 2001 include B. Czech Republic, Hungary, Poland, Slovakia, and Slovenia. 5. D. Which of the following countries has the highest poverty rate? d. Nigeria. 6. C. 6. The adult female literacy rate as a proportion of the adult male literacy rate is lowest in which of the following countries? c. India. 7. E. For which of the following does the numerical value of the indicator in India exceed that of China? e. poverty rate (percentage of population). 8. A. Choose the response that correctly ranks India's annual rate of growth in income per capita in ascending order (from lowest to highest). a. 1906-1945, 1950-1980, 1980-1990, 1990-1998. 9. A. Which of the following are components of India's liberalization reforms since 1991? a. delicensing, deregulation, income tax reductions, price decontrol, and privatization. 10. B. Contradictory claims by India and Pakistan to Kashmir arise because of b. India's identity as a secular state and Pakistan's as an Islamic state. 11. A. An example of an overvalued Indian rupee is a. an exchange rate of Rupees 35=\$1 when the market-clearing exchange rate is Rupees 70=\$1. 12. C. China decided to reform its economy in 1977-80 for every reason except the following: c. The collapse of communism in the Soviet Union. 13. E. What happened to direct foreign investment (DFI) in China after 1976? e. All of the above (DFI in China reached a level higher than in any other developing economy, DFI by Japan increased substantially, DFI by overseas Chinese increased substantially, and DFI by the West increased substantially) are correct. 14. C. The fastest growth in manufacturing industry in China after 1979 occurred in c. the private, town, and village enterprise sector. 15. B. For the Czech Republic, Hungary, and Poland, the next transitional stage is scheduled to be b. joining the European Union. 16. C. Sixteen. Which country went farthest on the road to a market economy before communism collapsed in late 1989? c. Hungary (see page 207, last paragraph).

Student I.D. _____

Economics 536
Comparative Economics
Final Examination
Monday, May 12, 2003
11:50-1:40
Waters 350
E. Wayne Nafziger

Fill out your answer card with a number 2 pencil, indicating student ID number and answers for the 16 multiple-choice questions. Choose the response that *best* answers the question. Note that the 16 multiple-choice questions count 48 points, the first essay (#17) counts 27 points, and the last essay, 25 points.

Be sure to put your name and student ID number on the top of the page for both essay questions. Allocate your time carefully.

1. Which one of the following ranks correctly the four levels of economic integration from lowest level to the highest level, where the highest level is that where countries involved must give up the most economic and political control?

- a. Customs union, economic union, free trade area, and common market.
- b. Customs union, free trade area, common market, and economic union.
- c. Common market, free trade area, customs union, and economic union.
- d. Common market, customs union, free trade area, and economic union.
- e. Free trade area, customs union, common market, and economic union.

2. Which of the following identifies correctly the regions' types of economic integration?

- a. Argentina, Brazil, Paraguay, & Uruguay – common market; Europe 15 – free trade area; and North America – customs union.
- b. Argentina, Brazil, Paraguay, & Uruguay – common market; Europe 15 – customs union; and North America – common market.
- c. Argentina, Brazil, Paraguay, & Uruguay – customs union; Europe 15 – common market; and North America – free trade area.
- d. Argentina, Brazil, Paraguay, & Uruguay – free trade area; Europe 15 – customs union; and North America – common market.
- e. Argentina, Brazil, Paraguay, & Uruguay – free trade area; Europe 15 – free trade area; and North America – common market.

3. The reason for the Europe 12 adopting the euro 1999-2002 was to
 - a. Provide a more independent monetary policy.
 - b. Provide a supreme appeals court for European law.
 - c. Reduce environmental costs among members.
 - d. Reduce the problem of currency conversion.
 - e. None of the above is correct.

4. Argentina's 2001-2003 crisis consists of
 - a. a balance of payments deficit.
 - b. high unemployment.
 - c. peso devaluation.
 - d. real income reductions.
 - e. All of the above are true.

5. In 1900, Argentina's GDP per capita was about equal to that of
 - a. Brazil.
 - b. Canada.
 - c. China.
 - d. India.
 - e. the United States.

6. Annual inflation rates in Latin America during both decades of the 1980s and 1990s were
 - a. 0-10%.
 - b. 10-20%.
 - c. 20-30%.
 - d. 30-40%.
 - e. more than 40%.

7. Chiapas state, Mexico, has
 - a. a higher adult literacy rate than the rest of Mexico.
 - b. a lower real GDP per capita than the rest of Mexico.
 - c. a lower land inequality than the rest of Mexico.
 - d. All of the above are true.
 - e. None of the above is true.

8. Which country had the highest per capita carbon dioxide emissions in the 1990s?

- a. China.
- b. India.
- c. Germany.
- d. Russia.
- e. the United States.

9. Population growth in the last half of the twentieth century

- a. was about average for 50-year periods since 1800, and population growth remained nearly constant during the last half of the twentieth century.
- b. was faster than any other 50 years in history, but population growth decelerated since the 1970s.
- c. was faster than any other 50 years in history, and population growth accelerated since the 1970s.
- d. was slower than any other 50 years since 1800, and population growth accelerated since the 1970s.
- e. was slower than any other 50 years since 1800, but population growth decelerated since the 1970s.

10. The incidence of HIV infection

- a. is highest as a percentage of the population in Botswana, Swaziland, and Zimbabwe today and Botswana, Swaziland, and Zimbabwe are projected to have the highest percentage incidence of HIV infection in 2010.
- b. is highest as a percentage of the population in Botswana, Swaziland, and Zimbabwe today but China, India, and Russia are projected to have the highest percentage incidence of HIV infection in 2010.
- c. is highest as a percentage of the population in China, India, and Russia today and China, India, and Russia are projected to have the highest percentage incidence of HIV infection in 2010.
- d. is highest as a percentage of the population in China, India, and Russia today but Botswana, Swaziland, and Zimbabwe are projected to have the highest percentage incidence of HIV infection in 2010.
- e. is low as a percentage of the population in Botswana, Swaziland, Zimbabwe, China, India, and Russia today and Botswana, Swaziland, Zimbabwe, China, India, and Russia are projected to have a low percentage incidence of HIV infection in 2010.

11. Which of the following provides the correct rank order of present annual percentage population growth rate, starting with the highest and ending with the lowest?

- a. Asia (except China), Sub-Saharan Africa, Latin America, and China.
- b. China, Latin America, Sub-Saharan Africa, and Asia (except China).
- c. Latin America, Asia (except China), Sub-Saharan Africa, and China.
- d. Latin America, Sub-Saharan Africa, Asia (except China), and China.
- e. Sub-Saharan Africa, Latin America, Asia (except China), and China.

12. Which of the following have had major financial crises since 1990?

- a. Argentina.
- b. Korea, Indonesia, and Thailand.
- c. Mexico.
- d. Russia.
- e. All of the above are correct.

13. The Gini index of concentration, which is 40.8 in the United States measures income inequality. Which of the following countries have a Gini index of inequality that is higher than 40.8?

- a. Brazil.
- b. Guatemala
- c. Mexico

- d. South Africa
- e. All of the above are correct.

14. The region of the world with the highest incidence of malaria is

- a. east Asia.
- b. Latin America.
- c. northern America.
- d. sub-Saharan Africa.
- e. None of the above is correct.

15. Which of the following two countries have the world's highest poverty rates?

- a. Argentina and Brazil.
- b. China and Malaysia.
- c. Ethiopia and Nigeria.
- d. Mexico and Panama.
- e. South Africa and Botswana.

16. Nigeria's stagnation or decline of real GDP per capita from 1983 to 1997 was accompanied by

- a. corrupt civilian rule.
- b. external occupation.
- c. dependence on cocoa exports.
- d. large external debt.
- e. low tariffs.

Student I.D. _____
Name _____

Essay question (27 points) – you can write on both the front and the back of this sheet.

17. Discuss the recent economic development and the extent to which economic performance was successful in any *one* of the following less developed economy: South Africa, Brazil, or India.

Student I.D. _____

Name _____

Essay question (25 points) – you can write on both the front and the back of this sheet.

18. Discuss whether the world generally benefits from the formation of a regional trade organization (such as a free-trade area, customs union, or economic union). Use one particular regional trade organization to illustrate your contention.

Key to final exam in Comparative Economics:

1. E. Which one of the following ranks correctly the four levels of economic integration from lowest level to the highest level, where the highest level is that where countries involved must give up the most economic and political control? e. Free trade area, customs union, common market, and economic union.
2. C. Which of the following identifies correctly the regions' types of economic integration? C. Argentina, Brazil, Paraguay, & Uruguay – customs union; Europe 15 – common market; and North America – free trade area.
3. D. 3. The reason for the Europe 12 adopting the euro 1999-2002 was to d. Reduce the problem of currency conversion.
4. E. Argentina's 2001-2003 crisis consists of e. All of the above (a balance of payments deficit, high unemployment, peso devaluation, and real income reductions) are true.
5. B. 5. In 1990, Argentina's GDP per capita was about equal to that of b. Canada.
6. E. Annual inflation rates in Latin America during both decades of the 1980s and 1990s were e. more than 40%.
7. B. Chiapas state, Mexico, has b. a lower real GDP per capita than the rest of Mexico.
8. E. Which country had the highest per capita carbon dioxide emissions in the 1990s? e. the United States.
9. B. Population growth in the last half of the twentieth century b. was faster than any other 50 years in history, but population growth decelerated since the 1970s.
10. A. The incidence of HIV infection a. is highest as a percentage of the population in Botswana, Swaziland, and Zimbabwe today and Botswana, Swaziland, and Zimbabwe are projected to have the highest percentage incidence of HIV infection in 2010.
11. E. Which of the following provides the correct rank order of present annual percentage population growth rate, starting with the highest and ending with the lowest? e. Sub-Saharan Africa, Latin America, Asia (except China), and China.
12. E. Which of the following have had major financial crises since 1990? e. All of the above (Argentina; Korea, Indonesia, and Thailand; Mexico; and Russia) are correct.
13. E. The Gini index of concentration, which is 40.8 in the United States measures income inequality. Which of the following countries have a Gini index of inequality that is higher than 40.8? e. All of the above (Brazil, Guatemala, Mexico, and South Africa) are correct.
14. D. The region of the world with the highest incidence of malaria is d. sub-Saharan Africa.
15. C. Which of the following two countries have the world's highest poverty rates? c. Ethiopia and Nigeria.
16. D. Nigeria's stagnation or decline of real GDP per capita from 1983 to 1997 was accompanied by d. large external debt.

