



## Answers to multiple-choice questions

The correct answer to each question is shown in **bold font**.

### Section 3: Economic interactions and flows

- 1 The main sources of foreign direct investment are:
  - A **TNCs**
  - B NGOs
  - C the UN
  - D national governments
  
- 2 How many TNCs were there worldwide according to the World Investment Report 2009?
  - A 22 000
  - B 42 000
  - C 62 000
  - D **82 000**
  
- 3 Global FDI inflows totalled approximately how much in 2009?
  - A \$500 billion
  - B \$1000 billion
  - C \$1500 billion
  - D **\$2000 billion**
  
- 4 What proportion of global GDP does world trade now account for?
  - A 5%
  - B 15%
  - C **25%**
  - D 35%



- 5 The difference between the value of a country's imports and exports is known as the:
- A **balance of trade**
  - B level of trade
  - C trade difference
  - D trade product
- 6 Items of trade that have a physical existence and can actually be seen are known as:
- A physical trade
  - B **visible trade**
  - C hard trade
  - D obvious trade
- 7 In 2008 the largest exporter of merchandise was:
- A the USA
  - B Japan
  - C China
  - D **Germany**
- 8 The country that imports the highest value of both goods and services is:
- A **the USA**
  - B Japan
  - C China
  - D Germany
- 9 The World Trade Organisation was established in:
- A 1975
  - B 1985
  - C **1995**
  - D 2005



- 10** The ratio of debt service payments of a country to that country's export earnings is its:
- A debt recovery ratio
  - B debt service ratio**
  - C debt payment ratio
  - D debt renewal ratio
- 11** The total external debt of the poorest countries in the world (the low-income countries) in 2006 was:
- A \$75 billion
  - B \$175 billion
  - C \$275 billion
  - D \$375 billion**
- 12** The HIPC initiative was first established in:
- A 1976
  - B 1986
  - C 1996**
  - D 2006
- 13** The Multilateral Debt Relief Initiative was launched in:
- A 1976
  - B 1986
  - C 1996
  - D 2006**
- 14** Toyota is an example of a large TNC with its headquarters in:
- A the USA
  - B Japan**
  - C Germany
  - D South Korea



- 15 Migration between Mexico and the USA can be classed primarily as:
- A family migration
  - B labour migration**
  - C group migration
  - D forced migration
- 16 What proportion of legal immigrants to the USA come from Mexico?
- A 10%
  - B 20%
  - C 30%**
  - D 40%
- 17 In the early part of the 20th century the US government allowed the recruitment of Mexican workers as:
- A guest workers**
  - B foreign workers
  - C international workers
  - D Hispanic workers
- 18 The 'maquiladoras' established in Mexico close to the border with the USA are:
- A farms
  - B factories**
  - C dormitory settlements
  - D retail malls
- 19 The US Congress passed the Immigration Reform and Control Act in:
- A 1956
  - B 1966
  - C 1976
  - D 1986**



- 20** Which US city has the largest Mexican-born population?
- A Chicago
  - B Miami
  - C New York
  - D Los Angeles**
- 21** Labour supply pressures from Mexico to the USA peaked in the late:
- A 1970s
  - B 1980s
  - C 1990s**
  - D 2000s
- 22** The value of remittances from the USA to Mexico in 2008 totalled:
- A \$25 billion**
  - B \$10 billion
  - C \$5 billion
  - D \$1 billion
- 23** In many Mexican communities the migration of young adults to the USA is now so commonplace that a migrant \_\_\_?\_\_\_ is said to exist:
- A approach
  - B culture**
  - C attitude
  - D perception
- 24** Which industry is the largest in India?
- A ICT
  - B shipbuilding
  - C iron and steel
  - D textiles**



- 25** How much of India's GDP is accounted for by the service sector?
- A 22%
  - B 32%
  - C 42%
  - D 52%**
- 26** The first Indian company to list on a US stock market was:
- A Satyam
  - B Tata
  - C Infosys Technologies**
  - D Reliance Industries
- 27** The most important city for ICT in India is:
- A Hyderabad
  - B Bangalore**
  - C Chennai
  - D Delhi
- 28** The export intensity of Indian software is more than:
- A 40%
  - B 50%
  - C 60%
  - D 70%**
- 29** Bangalore's population is approximately:
- A 1 million
  - B 3 million
  - C 5 million**
  - D 10 million