

Name: _____ Date: _____

QUIZ

Chapter 4: The 21st Century Global Economy

Quiz

Directions: If a statement is totally correct, write **T** for true on the line. If the statement is false, write **F** for false and write the word(s) that would replace the underlined word(s) to make the sentence true in the space after the sentence.

- ___ 1. The British government practiced free trade because it believed the colonies existed to serve the needs of the mother country.
- ___ 2. The total value of all final goods and services produced in a country or state in a year is known as its gross domestic product.
- ___ 3. The voluntary exchange of goods and services is called commerce and the buying and selling of goods is called trade.
- ___ 4. Manufacturing large quantities of similar goods is called a traditional economy.
- ___ 5. An international system for the buying and selling of goods and services is called a global marketplace.
- ___ 6. Your tariffs are what you spend on your own needs and wants.
- ___ 7. A trade agreement for North America negotiated by President George H. W. Bush and signed by President Bill Clinton goes by the acronym (initials) of GATT.
- ___ 8. A bank certificate that draws interest for a certain period of time is a money market account, and an account where interest fluctuates is called a certificate of deposit.
- ___ 9. When you use credit (the ability to buy things now and pay for them over time), you usually have to pay interest for the use of the money.
- ___ 10. When you invest, you buy an asset hoping it will provide future profit or income.
- ___ 11. When a country engages in international trade without government intervention, it is said to practice a policy of mercantilism.
- ___ 12. A country, a state, a business, or a person should develop a budget, a plan for receiving and spending money for a specific period of time.
- ___ 13. Tariffs are taxes imposed on goods made within a country.
- ___ 14. You receive interest when you work, provide services, or sell goods or property.
- ___ 15. A geographical area politically controlled by a distant country is a colony.
- ___ 16. Your expenses are what you spend on your own needs and wants.
- ___ 17. A checking account is a “flow through” account and a savings account is a place to hold money for the future.