ANSWERS - Chapter 22W – Less Developed Countries – Quick Quiz

1. Approximately what percentage of the world's income is received by the richest one-fifth of the world's population?   
A. 20 percent  
B. 30 percent  
C. 60 percent  
**D. 80 percent**

2. Most of the world's population lives in:   
A. North America.  
**B. the DVCs.**  
C. Western Europe.  
D. the IACs.

3. The DVCs are:   
A. located primarily in Northern Europe.  
B. located primarily in Western Europe.  
**C. located primarily in Africa, Asia, and Latin America.**  
D. more-or-less evenly distributed over the various continents.

4. Increases in the total real output of many DVCs do not increase the nation's standard of living because:   
A. diminishing returns may be encountered in increasing total output.  
**B. population increases may dissipate the increase in real output.**  
C. disguised unemployment in agriculture will persist.  
D. surplus farm labor may move from rural areas to industrial areas, causing unemployment.

5. In recent years the industrially advanced nations as a group have provided foreign aid amounting to about what percentage of their aggregate outputs?   
**A. .25 percent**  
B. .7 percent  
C. 1 percent  
D. 2 percent

6. Economic growth in the DVCs might increase if IACs:   
**A. reduce their tariffs and import quotas.**  
B. encourage more immigration of high-skilled DVC workers.  
C. outlaw direct private investment abroad by IAC corporations.  
D. discourage capital flight to the DVCs.

7. Large agricultural subsidies for food and fiber in IACs hurt the economies of the DVCs by:   
A. causing higher prices for imported food products.  
B. lowering saving rates in the DVCs.  
C. encouraging "brain drains" from the DVCs.  
**D. reducing world agricultural prices and thus export income of the DVCs.**