



Grade 7 Social Studies EOG Quiz

Economics - (SS7E5) Middle East Economic Systems, (SS7E6) Middle East Trade, (SS7E8) Southeast Asia Economic Systems, (SS7E9) Southeast Asia Trade

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Score: _____

1) In a command economy, how are the prices of goods and services determined?

- A) business owners
- B) the central government
- C) market forces of supply and demand
- D) independent agencies and independent regulators

2) In this type of economic system, the government controls all aspects of the economy and makes all decisions about what goods will be produced, who will produce them, and how they will be produced.

- A) command
- B) market
- C) mixed
- D) traditional

3)

In the Kingdom of Saudi Arabia the government controls every aspect of oil production which makes up the majority of the country's economy. While other businesses are owned by individuals, the biggest segment of Saudi Arabia's economy is oil production.

Saudi Arabia's economy would BEST be described as

- A) Command
- B) Market/Mixed
- C) Mixed
- D) Mixed/Command

4) For a market system, which best answers the question, "What goods and services will be produced?"

- A) Any good for which consumers are willing to pay a high enough price
- B) Only those goods whose long-term profits are greater than average profits
- C) Any good whose production is characterized by the lowest cost of technology
- D) Any good that returns its producers sufficient revenue to cover its total costs

5) If OPEC decided to cut oil production for the coming year, what would be the MOST LIKELY effect?

- A) prices would not change
- B) oil prices would probably rise
- C) oil prices would probably decline
- D) the price for substitute products would decline

6) The price of one nation's currency in terms of another nation's currency is called

- A) fiscal policy.
- B) monetary policy.
- C) the exchange rate.
- D) the discount rate.

7) All of these restrict international trade EXCEPT

- A) quotas.
- B) subsidies.
- C) embargoes.
- D) trade deficits.

8) A(n) _____ is an economic barrier because it limits trade between two nations, while a(n) _____ is an economic barrier because it completely blocks trade between two nations.

- A) quota, embargo
- B) embargo, tariff
- C) blockade, quota
- D) blockade, tariff

9) In 1973 OPEC limited the amount of petroleum available to the United States. Which term refers to one nation or group of nations isolating another nation by stopping trade?

- A) blockade
- B) embargo
- C) quota
- D) tariff

10)

On May 13, 2005, Benjamin Wu, the Department of Commerce's assistant secretary for technology policy delivered this testimony to the House of Representatives Committee on Government Reform.

(excerpt)

"Mr. Chairman and members of the Committee, thank you for the opportunity to address your concerns on the use of domestic source restrictions by foreign governments.

Since standards and technical regulations affect over 80 percent of global commodity trade, domestic source restrictions by foreign governments, in the form of standards as trade barriers, are a concern and have prompted the Department of Commerce to take recent action.

The Department of Commerce is committed to ensuring that standards are fair and responsive to market and technology needs, and that we partner with industry to combat standards as trade barriers to American goods and services.

While U.S. standards concerns are not specific to just China, because American industry has demonstrated a clear interest to compete and participate in the Chinese marketplace, it is important that there is a standards development process that is open, transparent, participatory, and fair in China. In 2004, China was the United States' third largest trading partner, with total merchandise trade between the two nations reaching \$231 billion. The United States exported over \$35 billion of merchandise to China, an increase of over 25 percent over the previous year.

Tensions have arisen, however, when certain countries take restrictive action that could potentially exclude market access to U.S. businesses. In this regard, I have been asked by the Committee to address a specific example where China has caused great concern with U.S. industry in its application of domestic source requirement standards - China's pending software procurement regulation which could limit the ability of U.S. industry to sell software products and services to the Chinese government. U.S. software companies, which are widely recognized as industry leaders for their leading-edge innovation, have invested billions of dollars in China to participate directly in China's growing information technology market. This is especially necessary to combat and offset the perceived high rate of software piracy in China.

The U.S. Department of Commerce, along with the Department of State and Office of the U.S. Trade Representative, have been working hard to ensure that U.S. software companies continue to have access to Chinese government customers. We will continue to work vigorously to achieve this goal."

Which quote from the passage represents a specific example of a trade barrier?

- A) "China's pending software procurement regulation"
- B) "[T]he perceived high rate of software piracy in China"
- C) "China was the United States' third largest trading partner"
- D) "American industry has demonstrated a clear interest to compete...in the Chinese marketplace"

11) In a command economy, how is it determined what goods and services will be produced?

- A) Businesses decide what to produce on the basis of market conditions.
- B) Consumers decide through their behavior in the marketplace.
- C) Central government planning decides what will be produced.
- D) Supply and demand control production and price.

12) An import quota is a

- A) tax on import quantities above the legal limit.
- B) way to increase tariff revenues for the exporting country.
- C) legal limit on the amount of a good that can be imported into a country.
- D) legal incentive for members of WTO to increase their exports of a good or service.

13) Why would a country want to erect trade barriers such as tariffs or quotas?

- A) to make goods cheaper
- B) to expand their markets
- C) to protect domestic jobs
- D) to stimulate the economy

14) How does specialization allow for a higher standard of living?

- A) Everyone is better educated.
- B) Those who specialize have more money.
- C) People who specialize are happier than those who don't.
- D) People can trade for those items they don't produce themselves.

15) Which of these is a main advantage AND goal of global trade?

- A) decreased industrialization
- B) improved government regulation
- C) the reduction of trade barriers
- D) increase in the wealth of the rich