

# THE GREAT QUESTIONS OF ECONOMY [TERM 1]

*The following questions are exam type questions and have been published here to give students real exam practice. Before attempting the questions try and identify those questions that are repeated, There are many questions that ask the same thing but in a different manner. In order to be successful at exam level you must **always** answer the question and not get distracted and write something different. Good luck!*

## - Introduction to Economics & The Primary Sector -

1. What does the word economy, taken from the Greek *oekonomia*, actually mean?
2. Give a definition of what the **economy** is today
3. What word do economists use to talk about money?
4. What book did **Adam Smith** write?
5. In what century did he write it?
6. Why is he so famous?
7. What was his job?
8. Which part of the United Kingdom was he from?
9. Name one aspect concerning the economy that he explained in his text
10. Smith referred to the '**Division of Labour**' in his book. What do we call it today?
11. What does **Supply and Demand** determine in the economy?
12. What product does Adam Smith use to illustrate the power of the division of labour?
13. Why, according to Smith, is the division of labour beneficial for the economy?
14. What negative aspect was there concerning the division of labour and what was Smith's solution?
15. What did Smith say **trade** provides for the individual?
16. What did Smith believe trade would bring to the world?
17. Smith said that there are two types of **capital**? What were they?
18. **Price** is determined by which two factors?
19. What did **Henry Ford** invent?
20. Name one other thing Henry Ford did
21. What are the three **sectors** of the economy?
22. Give an example of an industry in each sector
23. Give an example of '**productive capital**'
24. Give an example of '**unproductive capital**'
25. Give a definition of the **primary** sector
26. Give a definition of the **secondary** sector
27. Give a definition of the **tertiary** sector
28. What do the initials **GDP** stand for?
29. What four industries comprise the the Primary sector?
30. What percentage of a developed country's population work in the primary sector?
31. What percentage of a developing country's population work in the primary sector?
32. What percentage does the primary sector contribute to the world GDP?

33. What percentage of the poorest countries work in the Primary sector?
34. What two types of **field system** are there in agriculture?
35. What is **intensive farming**?
36. What is **extensive farming**?
37. What are the two different types of watering system used for crops?
38. What is **Monoculture**?
39. What is **Polyculture**?
40. Name one benefit and one cost of Monoculture
41. Name one benefit and one cost of Polyculture
42. What is **commercial agriculture**?
43. What are the costs and benefits of commercial agriculture?
44. Give 4 different ways commercial agriculture aims to maximize its profit
45. 80% of the \_\_\_\_\_ countries work in the Primary sector
46. What is **subsistence** agriculture?
47. What is a **plantation**?
48. What are benefits and costs of plantation farming?
49. What products are normally grown on a plantation?
50. Why are plantations very often a disadvantage for developing countries?
51. What animals are normally used for livestock farming?
52. **Selective breeding** improves which two things?
53. What is **extensive livestock farming**?
54. What **intensive livestock farming**?
55. What word means: *farmers focus on growing enough food to feed themselves and their families. The output is mostly for local requirements with little or no surplus for trade.*
56. What is another term for **specialisation**?
57. Who wrote the **Wealth of Nations**?
58. What did the writer illustrate in the book the Wealth of Nations by explaining the manufacture of **pins**?
59. Who invented **assembly line manufacture**?
60. Crops are exported, most of the profit goes to foreign companies, small farmers forced to leave their land and because they cannot compete, intense exploitation to maximize profits exhausts soil and pollutes, also wages are directly linked to price of sale. All these things are negative aspects of what type of farming?
61. **Open** and **closed-fields** are two types of what?
62. 40% of the \_\_\_\_\_ active population works in the primary sector
63. What do we call the method where a single type of crop is grown on a large scale, using machines to produce large quantities?
64. What do we call the method where several types of crop are grown, usually on a smallholding and often for subsistence farming?
65. What type of farming uses the land to the maximum of its capacity? Modern techniques are used in developed countries
66. What type of farming cultivates crops such as wheat and barley on large areas of land? **Irrigating** crops and **rainfeeding** crops are two types of what system?
67. 40% of the world's population works in which sector?
68. What type of agriculture aims to achieve the maximum amount of profit?  
C\_\_\_\_\_ agriculture

69. What is the name given to a monetary measure of the market value of all final goods and services produced in a period (quarterly or yearly) ?
70. Pigs, sheep, cattle are used as what?
71. What sector of an economy makes direct use of natural resources
72. What sector of the economy includes light and heavy industrial manufacturers of finished goods and products from raw materials?
73. What sector of the economy involves the provision of services to other businesses as well as final consumers?
74. What does the **quaternary sector** provide?
75. Jobs are created by foreign investment in this method of production, transport infrastructure is improved and more efficient production methods are introduced to the country. These things are all benefits of what type of farming?
76. Developed countries normally have what type of **livestock farming**?
77. What are the three types of fishing?
78. Where are fish caught? F\_\_\_\_\_ G\_\_\_\_\_
79. What word means the process of 'farming' fish?
80. In **Spain** the Primary sector has increased or declined?
81. What percentage does the Primary sector contribute to the Spanish economy?
82. What percentage of the Spanish population works in the Primary ?
83. Which European country dedicates most land towards agriculture?
84. Where does Spain export most of its agricultural products?
85. Which regions have the most pig farming in Spain?
86. Spain is the second largest consumer of what in the world?
87. Which country has the biggest fishing fleet in the world?
88. Where does Spain catch most of its fish?
89. Which is the second largest fish market in the world?
90. Give examples of the three typical types of livestock in Europe
91. Agriculture, Livestock farming, Forestry & Fishing all constitute which economic sector?
92. Coffee, rubber & tea are examples of crops grown on what?