

10-1 Exploring Globalization

CHAPTER 10: EXPANDING GLOBALIZATION

1. Reducing the cost of doing business by using suppliers of products and services from less-developed countries is known as
 - A. interdependence
 - B. convergence
 - C. outsourcing
 - D. free trade

2. A foreign-owned plant where goods are assembled for export to the United States is a/an
 - A. outsource
 - B. maquiladora
 - C. trade liberalization
 - D. structural adjustment

3. A trade boycott is a form of
 - A. trade liberalization
 - B. consensus
 - C. free trade
 - D. sanction

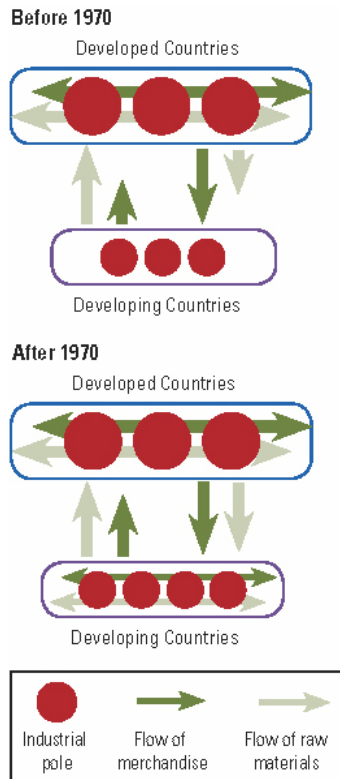
4. The World Trade Organization has the power to enforce its decisions by using
 - A. demonstrations
 - B. outsourcing
 - C. consensus
 - D. sanctions

5. Which of the following statements does **not** apply to the European Union?
 - A. Most obstacles to cross-border trading are eliminated.
 - B. Members can take advantage of opportunities created by economic globalization.
 - C. Members keep their national currency.
 - D. Goods, services, money and people can move easily between member countries.

6. Reaching a consensus requires

- A. negotiation and compromise
- B. a long period of confrontation
- C. each country to have an equal vote
- D. language that is open to interpretation

Use the following chart to answer questions 7 and 8.



7. The chart indicates that

- A. developing countries are trading more resources to the developed countries
- B. developing countries have increased their level of resource production
- C. developed countries have decreased the resources they trade to developing countries
- D. developing countries are trading more manufactured goods to developed countries

8. Which of the following statements is true?

- A. There is an increase in trade between developed countries.
- B. There is an increase in the number of developing countries.
- C. There is a decrease in resources leaving developing countries.
- D. There is an increase in manufactured goods leaving the developed countries.

Use the following statement to answer question 9.

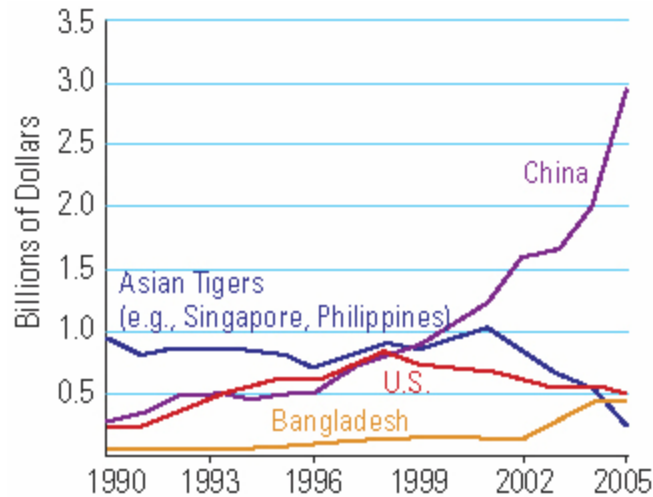
A key element in expanding globalization is reducing trade barriers so that goods and services can move around the world easily.

9. The statement refers to a process known as

- A. trade liberalization
- B. consensus
- C. free trade
- D. sanctions

Use the following sources to answer questions 10 to 12.

Source I



Source II

The World Trade Organization was established in 1995 to increase international trade by lowering trade barriers and making trade more predictable. The WTO settles trade disputes between governments, conducts trade negotiations, and ensures that the terms of trade agreements are followed.

Source III



Source IV

Period	Trade Conditions	Effects
1989–1995	Canada–United States Free Trade Agreement eliminated tariffs on clothing imports and exports between the two countries.	Canadian clothing exports to the U.S. grew, as did imports from the U.S. into Canada.
1995–2002	Canada eliminated quotas on some clothing products from developing countries.	Clothing imports from developing countries grew; imports from the U.S. dropped.
2002–2005	All trade restrictions were removed from clothing imported to Canada from developing countries.	Imports from China and Bangladesh more than tripled, while imports from other developing countries and the U.S. dropped. Domestic production fell. Clothing prices in Canada declined by 5.8 per cent.

10. All of the sources deal with the issue of

- A. problems of free trade
- B. achieving consensus
- C. opposition to tariffs
- D. trade liberalization

11. The sources **most clearly** show that changes to Canadian trade laws benefited which country or countries?

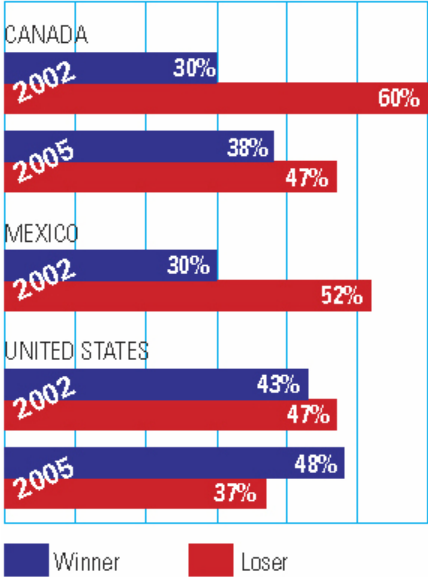
- A. the United States
- B. India
- C. Mexico
- D. China and Bangladesh

12. Which source would be the **best** support for an argument in favour of the WTO’s goals?

- A. Source I
- B. Source II
- C. Source III
- D. Source IV

Use the following graph to answer question 13.

Perceived Winners and Losers under NAFTA



13. An interpretation of the graph would lead to the conclusion that NAFTA is perceived as a

- A. success for all members
- B. failure for most members
- C. success for the developed members, but not the developing member
- D. success for the developing member, but not the developed members

Source: Ipsos Reid

Use the following quotation to answer question 14.

The cliché is true: We are no longer citizens of our cities, provinces and countries. We Canadians are now citizens of the world....

— Ed Broadbent, former leader of the New Democratic Party of Canada, 2003

14. Ed Broadbent is talking about the forces of

- A. transnational corporations
- B. trade liberalization
- C. globalization
- D. consensus

Use the following information to answer question 15.

People in many developing countries do not yet have access to the information and communication technologies that would enable them to share in the benefits of this technology. In most developing countries, the technology infrastructure is either inadequate or non-existent.

15. The information suggests that communication technology could

- A. enhance the process of globalization
- B. decrease global access to technology
- C. place developing nations at a disadvantage
- D. give developing nations an unfair advantage