# 11. International economic issues (A Level)

**Starter Quiz · 课前小测**

A-Level Economics Name: ________ Score: ____

1. Internal balance refers to:
   - ☐ low inflation and low unemployment at home
   - ☐ a balanced government budget only
   - ☐ a current-account surplus
   - ☐ a fixed exchange rate
2. If 1 pound = 1.25 dollars, how many dollars is 400 pounds?

   ____________

3. Economic development differs from economic growth because it focuses on:
   - ☐ living standards and quality of life, not just output
   - ☐ only the level of GDP
   - ☐ only exports
   - ☐ only the money supply
4. Many developing economies rely heavily on the:
   - ☐ primary sector (agriculture and raw materials)
   - ☐ financial services sector
   - ☐ high-tech sector
   - ☐ tourism sector only
5. Foreign direct investment by multinationals can bring a developing country:
   - ☐ capital, jobs and technology
   - ☐ only debt
   - ☐ lower exports
   - ☐ a smaller workforce
6. Which is a key driver of globalisation?
   - ☐ falling transport and communication costs
   - ☐ rising tariffs
   - ☐ closing borders
   - ☐ banning multinationals



7. A demand boost can improve internal balance (jobs) but worsen external balance (the trade deficit).

   ☐ True ☐ False

8. Economic growth can occur without development if the gains do not reach most people.

   ☐ True ☐ False

9. In a poverty trap, low incomes lead to low saving and investment, keeping incomes low.

   ☐ True ☐ False

10. High debt repayments can divert a developing country's money away from health and education.

    ☐ True ☐ False

A-Level Economics

1. **low inflation and low unemployment at home**

   Internal balance = stable prices and full employment; external balance = a sustainable BoP.

2. **500**

   $400 \times 1.25 = 500$ dollars.

3. **living standards and quality of life, not just output**

   Development is about welfare (health, education, choices), not just more output.

4. **primary sector (agriculture and raw materials)**

   Primary-product dependence (with volatile prices) is a common feature.

5. **capital, jobs and technology**

   FDI brings capital, employment and know-how — though profits may flow abroad.

6. **falling transport and communication costs**

   Cheaper transport/communication, trade liberalisation and MNCs drive integration.

7. **True**

   Higher demand raises imports, widening the current-account deficit.

8. **True**

   If growth is captured by a few, average welfare may barely improve.

9. **True**

   The self-reinforcing cycle that makes development hard to start.

10. **True**

    Servicing large debts crowds out spending on development priorities.