

Write your name on the cover of the test booklet and nowhere else. Enclose this sheet with the booklet. Failure to follow these directions will cost you 1 point. The test has 150 points (to be scaled up to 240 points) and is scheduled to take 75 minutes. Therefore, expect to spend 1 minute for every 2 points. For example, a 14-point question should take 7 minutes. I can give extra time, but I will not give a lot of extra time.

1) (14 points) Answer EITHER Part A OR Part B.

A) State the *Dependencia Theory*. What aspect of the theory may be accurate? Explain your logic

B) The foreign debt of many countries can inhibit its growth. Bono says that the developed countries should cancel the debt by paying some of it themselves. Do you agree with him? Explain your logic.

2) (16 points) What is China's greatest strength? Explain why you feel that is a strength of their economy.

3) (16 points) Answer EITHER Part A OR Part B.

A) In the news recently was much about how poor many Brazilians are because of the major income inequality. What would you do to reduce that problem? Explain your logic.

B) Brazil has a major crime problem. What would you do to reduce that problem? Explain your logic.

4) (16 points) For EITHER China's agriculture sector OR its private enterprises like clothing, do you think this industry will perform well in the future? Explain your logic.

5) (16 points) Answer EITHER Part A OR Part B.

A) Argentina has had a problem with military rule. If you were an elected government, how would you avoid getting thrown out by the military?

B) At the time of the book's writing, the Argentinian peso was held at parity with the US dollar. Menem was proposing to replace it with the US dollar. Do you think this would be wise? Explain your logic.

6) (18 points) For EITHER illiteracy OR gender disparity, explain how it holds back economic development. Then explain how you would fight it. How would your policies affect the problem?

7) (18 points) Answer EITHER Part A OR Part B.

A) Explain why population growth is a problem for economic growth of developing countries. What would you do to decrease the growth rate of a country like Bangladesh, which has a growth rate of 2.75%? How would that decrease the population growth rate.

B) Urbanization can help economic growth; however, it usually hinders economic growth. Explain why urbanization is a problem for economic growth of developing countries. What would you do to decrease the urbanization problem? How would that reduce the problem?

8) (18 points) Many of China's coastal cities are growing extremely fast and have a major problem with air pollution. How would you work within the current Chinese economic and political frameworks to reduce ONE of these problems? Explain how you would implement the policy and how it would solve the problem. Only answer for ONE of the two problems.

9) (18 points) Answer EITHER Part A OR Part B.

A) Since the book has been published, Mexico has seen the ruling party since 1929 lose power. Why is this a good thing?

B) Mexico is benefitting greatly from the high price of oil. However, economic history has shown that when oil reaches abnormally high prices, new oil gets found and people find ways to avoid using it. Therefore, the price will go back down. If you were the Mexican government, how would you use the oil money now in such a way that the country will not be devastated when the price goes back down? Explain your logic.