

The Global Economy

The impact of globalisation on economic growth and quality of life around the world is influenced by several factors including – the foreign exchange market, government economic policies, blocs and agreements, technology and communication, levels of unemployment and the distribution of income and wealth. Organisations such as the World Trade Organisations and the World Bank play major roles in the global economy of trade and finance flow.

Define these Key Terms

Global Economy Globalisation Distribution of Wealth International Business Cycle
Gross World Product Foreign Exchange Market Tariffs Voluntary Export Restraints
Free Trade Trading Blocs Transnational Corporations Newly Industrialised Countries (NICs)

Short Answer Questions

1. What is the foreign exchange market?
2. What is the difference between growth and development?
3. How does technology influence global economy?
4. Name 3 developing economies.
5. What is the basis of free trade?
6. Why is the role of the World Bank?
7. What are quotas?
8. Explain high-income economies?
9. What are protectionist policies?
10. How do trade flows affect the nature and extent of global interdependence?

100 Word Responses

What is international convergence?

Explain how blocs and agreements influence the global economy. Why are they important?

Research Assignment

Using two economically different countries as references, describe the variations in standards of living in the global economy in relation to Quality of Life indicators.