Name ______________________________ Date ________________

Economic Geography

Absent Work #9

All questions require at least THREE sentences on own paper.

PLACES & TERMS

economy the production and exchange of goods and services

economic system the way people produce and exchange goods

command economy production of goods and services is determined by a central government

market economy production of goods and services is determined by the demand from consumers

natural resources materials on or in the earth that have economic value

infrastructure the basic support system needed to keep an economy going

per capita income amount of money earned by each person in a political unit

GNP the total value of all goods and services produced by a country in a time period

GDP the value of only goods and services produced within a country in a time period

Economic Systems

***What** are some ways people produce and exchange goods?*

An **economy** consists of the production and exchange of goods and services among a group of people. Geographers study economic geography by looking at the economic activities in a region.

The way people produce and exchange goods is called an **economic system**. Today, there are four basic types of economic systems.

- **Traditional Economy** Goods and services are traded. Money is not exchanged.
- **Command Economy** Production of goods and services is decided by a central government. The government usually owns the means of production.
- **Market Economy** Production of goods and services is decided by the demand from consumers.
- **Mixed Economy** A combination of command and market economies. It is set up to provide goods and services to benefit all people.

1. How do command and market economies differ?

Answer in at least THREE SENTENCES on own paper.

Economic Activities

What is subsistence agriculture ?

People meet their needs in a variety of ways. Some groups raise just enough food or animals to meet their own needs. This is called *subsistence* agriculture. In other areas people produce crops or animals to meet a demand in a larger market.

Industries are an important economic activity. Commercial industries meet the needs of people in a very large area. Small family-run industries may make goods to be sold locally. No matter how small or large a business is, it operates at one of four economic levels.

- **Primary Activities** involve gathering raw materials.
- **Secondary Activities** involve adding value to materials by changing their form.
- **Tertiary Activities** furnish personal or professional services.
- **Quaternary Activities** provide information, management, and research services.

2. What are the levels of economic activity?

Answer in at least THREE SENTENCES on own paper.

The Economics of Natural Resources

What *are nonrenewable resources?*

An important part of economic geography is knowing which resources a nation has. **Natural resources** are materials on or in the earth that have economic value.

Natural resources are not distributed equally around the world. When geographers study a country's economy, they look closely at the location of the resources. They also look at the quality and quantity of the natural resources. They also divide natural resources into three basic types:

- **Renewable** These resources, such as trees, can be replaced through natural processes. Examples are trees.
- **Nonrenewable** These resources cannot be replaced once they have been removed from the ground—metals and *fossil fuels*.
- **Inexhaustible energy sources** These power-producing resources are the result of solar or Earth processes. They include sunlight, *geothermal* heat, winds, and tides.

3. What do geographers look for when studying a country's natural resources?

Answer in at least THREE SENTENCES on own paper.

Economic Support Systems

What *is infrastructure?*

A nation's **infrastructure** consists of the basic support system needed to keep an economy going. This would include such things as power systems, water, and sewer systems.

One of the most important parts of the infrastructure is transportation. Geographers look at the patterns of roads and highways, ports, and airports. This helps them to get an idea of how *accessible* an area is.

Communications systems give geographers an idea of how a country is linked internally. It also shows how the country is tied to the outside world.

One sign of the development of a country is how much technology is available. The education system is also a part of the infrastructure.

4. Why do economic geographers study a country's communications systems?

Answer in at least THREE SENTENCES on own paper.

Measuring Economic Development

How *do geographers compare economies?*

Geographers use a variety of standards to make comparisons among economies. One is **per capita income**. This is the average amount of money earned by each person in a political unit. Another way to compare is based on country's economic activities. A third method might be a comparison of a society's standard of living, health, or education.

A statistic commonly used to measure the economy of a country is the **Gross National Product (GNP)**. The GNP is the total value of all goods and services produced by a country over a specified period of time. The **GDP**, or **Gross Domestic Product**, is the value of only the goods and services produced within a country in a period of time.

5. What is the difference between GNP and GDP statistics?

Answer in at least THREE SENTENCES on own paper.