### RALE - End of Lecture Program - In Class Revision Quiz

#### Date May 6th 2009



**Instructions**

You have 10 minutes to answer all questions.

The numbered ball at the end of each question (➊, ➋ etc) indicates how many correct answers there are to each question.

Tick only those answers that you think are correct

You may use your notes if you wish

You may ask other people the answer

You may not phone a friend.

**Multiplier analysis**

***1. The multiplier is:*** ➊

A nutty chocolate bar ⬜ The cumulative effect of an economic injection ⬜

A regional growth calculator ⬜ An internal economic feedback loop ⬜

***2. The (I-A)-1 matrix of the input-output model is known as:***➊

The matrix of technical coefficients ⬜

The identity matrix ⬜

The matrix of multipliers ⬜

The transactions table ⬜

3. In the regional multiplier model, which factors might be expected to affect the marginal propensity to consume local goods and services (MPC)? ➌

Growth in regional labour productivity ⬜ Regions’ location ⬜

Regions’ size ⬜ Regional cuisine ⬜

Regions’ knowledge base ⬜ Regions’ industrial mix ⬜

***4. The difference between Type 1 and Type 2 multipliers is that the Type 2 multiplier:*** ➊

Underestimates income/output ⬜ It treats the household sector as endogenous ⬜

Treats the household sector as exogenous ⬜ Assume only a part of additional household income is spent ⬜

## Trade theory

5. In the basic Heckscher-Ohlin model comparative advantage is achieved through: ➊

Technological push ⬜ Capital abundance ⬜

Initial factor endowments ⬜ Labour quality ⬜

6. Which of the following competitiveness-enhancing factors are included in the ‘theory of competitive advantage’? ➌

Economies of scale ⬜ Demand conditions ⬜

Firm strategy, structure and rivalry ⬜ Specialise in industrial activity ⬜

Constant returns to scale ⬜ Related and supporting industries ⬜

7. Intra-industry trade between regions is typified by: ➊

The exchange of virtually identical products ⬜ Free movement of goods and services ⬜

Collaboration in R&D ⬜ Ability to exploit economies of scale ⬜

8. In ‘New economic geography models’ factors driving the centripetal forces encouraging concentration include: ➋

Market-size effects (linkages) ⬜ Thick labour markets ⬜

Growth in Labour productivity ⬜ Land rents ⬜

Immobile factors ⬜ River crossings ⬜

## Hidden Unemployment

9. European labour markets are said to be unresponsive to excessive supply because: ➌

Trade unions co-operate with employers ⬜ Trade unions resist wage cuts ⬜

Employers are tied to wage contracts ⬜ Employers set wages too high ⬜

Wage cuts affect the multiplier ⬜ Wage cuts affect moral and productivity ⬜

***10. According to Beatty & Fothergill Which of the following reasons are said to have led to a large increases in hidden unemployment?*** ➍

Changes in the administrative procedures ⬜ Introduction of job seekers allowance ⬜

People switching to other benefits ⬜ Increase in women in the labour market ⬜

Deterioration in the health of the workforce ⬜ Rise in underemployment ⬜

Redundancy packages ⬜ Increase in lifetime earnings ⬜

11. Who are said to be at the front of the jobs queue? ➌

Recent migrants from Eastern Europe ⬜ People with recent experience ⬜

People aged between 25 and 50 ⬜ People aged 50+ ⬜

People with good qualifications ⬜ People who have been sick ⬜

12. ***Which type of areas do Fothergill & Beatty say hidden unemployment is highest?*** ➋

Inner cities ⬜ Coalfields ⬜ Rural areas ⬜ Steel towns **⬜**

**Regional Policy before 1979**

13. On which of the following generic areas was regional policy focused before 1979? ➌

City Growth ⬜ Industrial Development Certificates ⬜

Small & Medium Sized Enterprises ⬜ Enterprise Zones ⬜

Employment subsidies ⬜ New town growth poles ⬜

***14: Capital subsidies such as RDG were said to have a significant:*** ➊

Substitution effect ⬜ Output effect ⬜

15. IDCs were said to be? ➌

Destroying jobs ⬜ Increase investment ⬜

Cost Efficient ⬜ Flexible ⬜

Making firms efficient ⬜ Moving firms to DA’s ⬜

***16. The availability of*** ***Regional Development Grants allowed companies in assisted areas to:*** ➋

Cut inventory costs ⬜ Improve their capital stock ⬜

Increase their output ⬜ Take on additional labour ⬜

**The role of FDI in regional policy**

17. Identify which of the following fall into the developmental or dependency hypotheses for FDI:➏

|  |  |  |  |
| --- | --- | --- | --- |
| **Development** |  | **Dependency** |  |
| Unequal trading relationship with local suppliers | ⬜ | Unequal trading relationship with local suppliers | ⬜ |
| Day-to-day control external | ⬜ | Day-to-day control external | ⬜ |
| Long-term partnership approach | ⬜ | Long-term partnership approach | ⬜ |
| "Embedded" in the local economy | ⬜ | "Embedded" in the local economy | ⬜ |
| Low-tech, low-skill requirement | ⬜ | Low-tech, low-skill requirement | ⬜ |
| Base for self-sustained growth | ⬜ | Base for self-sustained growth | ⬜ |

***18. By the year 2000, 1 in 3 FDI companies moving to Europe came to the UK*** ➊

|  |  |  |  |
| --- | --- | --- | --- |
| True: | ⬜ | False: | ⬜ |

***19. Regulation and social welfare burdens were higher in the UK than in other parts of the EU*** ➊

|  |  |  |  |
| --- | --- | --- | --- |
| True: | ⬜ | False: | ⬜ |

20. Munday et al. (1995) found that in Wales half of the FDI plants were significant exporters (>40% of output) but few carried out R&D. ➊

|  |  |  |  |
| --- | --- | --- | --- |
| True: | ⬜ | False: | ⬜ |

##### Event-based regeneration

***21. Urban improvement as a key element of the modern Olympic Games first took place in:*** ➊

Helsinki (1952) ⬜ Rome (1960) ⬜ Tokyo (1964) ⬜ Montreal (1976) ⬜

***22. Essex and Chalkley argue that the distributional effects of the Olympic games are controversial because:*** ➌

It crowds out industrial development ⬜ The distribution of venues is unfair ⬜

They subsidises affluent consumers ⬜ It is at the expense of social improvement ⬜

It creates low-paid jobs ⬜ The planning & bidding process wastes resources ⬜

***23. Madden estimates that in the post games period the Sydney Olympics boosted state:*** ➋

Consumer price index ⬜ Employment ⬜

Real consumption ⬜ Real investment ⬜

***24. According to Gratton et al in which of the following types of sporting event does the UK have a considerable competitive advantage:*** ➊

Type 1 ⬜ Type 2 ⬜ Type 3 ⬜ Type 4 ⬜

Maximum possible score 50

Rankings

0-10 Not really with it: - Haven't been attending, listening or reading - serious revision required to avoid a retake

11-20 Taken in a little: - Struggling, need to undertake substantial revision – but could just pull it off

# 21-30 Reasonable understanding: - With targeted revision could do a lot better

31-40 Good grasp of subject: - With refined revision should do well – but don’t get too cocky

40-44 Almost there: - But don't be complacent

45+ You can teach it next year!!

Remember that in the exam you will not have textbooks, or notes or be able to ask a friend, the best way to succeed is to be fully prepared.

* Make sure you know your subject(s)
* Read the questions carefully
* Complete one question from each section
* Make sure you answer the question that was asked, not one you hoped might be asked
* Don’t waffle, and repeat yourself it shows that you “haven’t a clue”
* Write as clearly as possible I have to be able to read the answer
* Don’t panic, you have 2 hours