

## Short Answer Questions

### Chapter 25.

1. What is GDP per capita and why is it useful in measuring differences in living standards between different countries?
2. What is productivity and why is it an important determinant of economic growth?
3. Outline the main factors which determine the level of productivity in a country.
4. Which of the following would you say is the more important determinant of strong economic growth – high levels of human capital or rich endowments of natural resources? Explain your answer.
5. Examine the role of saving and investment in promoting economic growth.
6. Should governments in less developed countries direct resources in to building up capital goods at the expense of consumer goods? Justify your answer.
7. In 2011 the global population is set to top 7 billion and is projected to grow to 8.9 billion in 2050. Is such an increase sustainable? Explain your answer.
8. Why do poor countries often exhibit much stronger growth rates than rich countries?
9. Outline the potential costs and benefits to a poor country of attracting large amounts of foreign domestic investment as a means of generating growth.
10. To what extent do you think having good governance is key to poor countries achieving stable and long-term economic growth?