

# Chapter 4

## Review questions

1. What is the literal meaning of the word economy?
2. How many different economic systems can you think of?
3. Name five economic conditions which enable entrepreneurial activity.
4. What do macroeconomists study?
5. Is South Africa currently a factor-driven, efficiency-driven, or innovation driven economy?
6. Give six reasons for the increase in importance of small businesses in developed economies?
7. According to the GEM 2008 study, what percentages of start-ups expect to create 20 new jobs or more?  
a) 2% b) 8% c) 16%
8. Explain what is meant by the term 'transition economy'?
9. Which countries make up the BRIC grouping?
10. Explain why foreign direct investment may not always be beneficial.