Module 10 Assessment

Test I. Identification Quiz (20 Items)

Direction: Identify the term, concept, policy, theory, organization, or strategy being described. Write your answer on the blank provided.

1. The increasing interdependence of world economies through trade, capital flows, and technology.
   Answer: ____________________
2. The theory stating that countries should specialize in producing goods and services with the lowest opportunity cost.
   Answer: ____________________
3. The economic principle explaining why countries benefit from specialization and trade.
   Answer: ____________________
4. A major Philippine industry that serves international clients through customer service, IT, and business support functions.
   Answer: ____________________
5. One benefit of comparative advantage that allows countries to focus resources on activities where they are most productive.
   Answer: ____________________
6. The development strategy that encourages domestic industries to produce goods and services for international markets.
   Answer: ____________________
7. An inward-looking strategy that seeks to reduce dependence on foreign goods through domestic production.
   Answer: ____________________
8. Government measures such as tariffs and quotas used to protect domestic industries.
   Answer: ____________________
9. A Philippine export sector that accounts for a significant share of the country's exports and is connected to global supply chains.
   Answer: ____________________
10. Trade policies that encourage exports of agricultural and raw materials.
    Answer: ____________________

11. Trade policies that promote manufactured exports.
    Answer: ____________________

12. Policies aimed at achieving agricultural self-sufficiency.
    Answer: ____________________

13. Policies that encourage domestic manufacturing through import substitution.
    Answer: ____________________

14. A development strategy that accelerates growth by expanding exports and integrating into international markets.
    Answer: ____________________

15. The inflow of foreign capital, technology, and management expertise into a country.
    Answer: ____________________

16. The international organization that governs global trade and promotes fair and predictable trade rules.
    Answer: ____________________

17. The ratio of export prices to import prices that indicates a country's purchasing power in international trade.
    Answer: ____________________

18. The hypothesis stating that countries dependent on primary commodity exports tend to experience declining terms of trade over time.
    Answer: ____________________

19. A major opportunity of globalization that allows developing countries to access advanced production methods and innovations.
    Answer: ____________________

20. A major global event that demonstrated the risks of supply chain disruptions and economic interdependence.
    Answer: ____________________

Answer Key

1. Economic Globalization
2. Comparative Advantage
3. Comparative Advantage Theory
4. Business Process Outsourcing (BPO) Industry
5. Increased Efficiency
6. Export Promotion
7. Import Substitution
8. Trade Barriers
9. Electronics Industry
10. Primary Outward-Looking Policies
11. Secondary Outward-Looking Policies
12. Primary Inward-Looking Policies
13. Secondary Inward-Looking Policies
14. Export-Led Growth
15. Foreign Direct Investment (FDI)
16. World Trade Organization (WTO)
17. Terms of Trade
18. Prebisch-Singer Hypothesis
19. Technology Transfer
20. COVID-19 Pandemic

Test II. Essay Questions (5 Items)

Direction: Answer each question in 5–10 sentences. Support your answers with examples from the Philippines whenever possible.

1. Explain the theory of Comparative Advantage. How does the Philippines benefit from specializing in industries such as BPO, tourism, and electronics?
2. Compare and contrast Export Promotion and Import Substitution as development strategies. Which approach do you think is more beneficial for the Philippines today? Why?
3. Discuss the role of Foreign Direct Investment (FDI) in economic development. What benefits and challenges does FDI bring to developing countries?
4. Explain the Prebisch-Singer Hypothesis. Why is diversification into higher-value exports important for countries like the Philippines?
5. Evaluate the opportunities and risks of globalization for the Philippine economy. How can policymakers maximize the benefits while minimizing the risks?

Suggested Scoring

- Identification: 20 items × 1 point = **20 points**
- Essay: 5 items × 10 points = **50 points**

Total = 70 points.