

# MIDDLE EAST ECONOMIC TEST STUDY GUIDE

1. Based on the definition of specialization and comparative advantage, what area in the world could be said to have a comparative advantage in oil production?
2. In Saudi Arabia, roughly 95% of the country's oil production is controlled by the government. This would suggest that most of Saudi Arabia is a \_\_\_ economy.
3. A(n) \_\_\_\_\_ is an economic barrier because it limits trade between two nations, while a(n) \_\_\_\_\_ is an economic barrier because it completely blocks trade between two nations.
4. What organization exists to protect the interests of nations for which petroleum is an important export?
- 5.

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| <ol style="list-style-type: none"><li>1. It has the most startup companies per capita in the world.</li><li>2. It has the highest rate of female owned businesses in the world.</li><li>3. It has the highest GDP and the lowest unemployment rates in the Middle East.</li><li>4. It has the highest rate of businesses owned by people over the age of 55 in the world.</li></ol> |
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Which nation is being described by these statements?

6. In this type of economic system, the government controls all aspects of the economy and makes all decisions about what goods will be produced, who will produce them, and how they will be produced.
7. In a traditional economy, the decision to make (or not make) certain products is decided MOSTLY by
8. Name the three type of trade barriers that restrict international trade.
9. If OPEC decided to cut oil production for the coming year, what would be the MOST LIKELY effect?
10. Which group has been an example for successfully determining the amount and price of a world-wide commodity?
11. What is the definition of capital?
12. In a command economy, how are the prices of goods and services determined?
13. One of the PRIMARY reasons that trade between nations takes place is because

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14. What is a synonym for the word "entrepreneur"?
  
15. In this type of economic system, the production of goods and services is controlled solely by the concept of supply and demand, businesses are operated for profit, and the government is not involved.
  
16. How does the presence of entrepreneurs help a country's economy?
  
17. In 1973 OPEC limited the amount of petroleum available to the United States. Which term refers to one nation or group of nations isolating another nation by stopping trade?
  
- 18.

In the Kingdom of Saudi Arabia the government controls every aspect of oil production which makes up the majority of the country's economy. While other businesses are owned by individuals, the biggest segment of Saudi Arabia's economy is oil production.

Saudi Arabia's economy would BEST be described as?