

Economic Geography

Textbook Notes, Chapter 2.3.3 (p. 62-63)

Learning Target #3: I can explain how the economies of the USA and Canada are the same and different.

Read the textbook section called “Economic Geography” found on pages 62-63 of your World Geography textbook. Then play Fan-N-Pick with your tablemates to answer the following six questions about the section. You may use the back of this sheet if you need more space to write your answers.

- 1) What is an economy? **A economy is a system in which people produce, sell, and buy things.**
- 2) What is the difference among the primary sector, the secondary sector, and the tertiary sector of an economy?
 - A) Primary Sector includes: **It involves taking raw materials from the soil or water and includes mining, farming, fishing, and forestry.**
 - B) Secondary Sector includes: **It involves using raw materials to manufacture products such as cars.**
 - C) Tertiary Sector includes: **It includes services such as banking or health care.**
- 3) Explain each of the four factors of production in an economy.
What are the four factors of production and explain each one:
 - A) **Land – includes all the natural resources used to produce goods and services.**
 - B) **Labor – involves the size and education level of the work force.**
 - C) **Capital – is a country’s wealth and infrastructure.**
 - D) **Entrepreneurship – involves the creativity and risk needed to develop new goods and services.**
- 4) Explain the differences among a traditional economy, a free enterprise economy, a command economy, and a mixed economy.
 - A) Traditional economy: **People trade goods and services without money. (They barter for stuff.)**
 - B) Free Enterprise economy: **Privately owned businesses create goods that people buy in markets. This is also called a market (or free market) or capitalism type of economic system.**
 - C) Command economy: **The government owns most parts of the economy and decides what will be produced and sold.**
 - D) Mixed economy: **The economy has elements of a free-enterprise and command economy.**
- 5) What is the difference between the Gross Domestic Product (GDP) and “GDP per capita?”
 - A) Gross Domestic Product (GDP): **GDP is the total value of the goods and services that a country produces.**
 - B) GDP per capita: **GDP per capita is the value of products that a country produces per person. Other indicators include income, literacy rate, and life expectancy.**
- 6) What is the difference between a developed country and a less developed (developing) country?
Developed countries are countries with high GDPs with most of their economic activity is in the tertiary sector. Less developed, or developing, countries are countries with low GDPs and most of their economic activity is in the primary or secondary sector.