

First Midterm Examination Study Questions

The questions below will help you focus on the most important concepts presented in class as you prepare for the first midterm exam. You will not necessarily be tested on all of the material noted below, but these questions are a good starting point for studying—all of the midterm exam's definition questions, short answer questions and short discussion questions will be drawn from this material. As you prepare for the exam, I recommend that you **write down the answers** to these questions **in your own words** (certainly not just copied from Wikipedia!) to ensure that you understand the material completely.

1. What is meant by *globalization* of the economy and culture?
2. Briefly describe and contrast the characteristics of *tributary* economic systems (such as feudalism) and *capitalism*.
3. For an industrializing European country in the 1800s and early 1900s, what were the economic advantages of having an overseas colony? What led to the scramble for colonies in the late 1800s?
4. Describe and explain examples of the legacy of colonialism in the present-day world economy.
5. Briefly describe the basic changes in urbanization and the location of industry within the United States from the late 1700s to the present day.
 - Discuss the early population and industrial centers along the East Coast, as well as more recent regions of urbanization and industrialization in the West and Southwest.
 - Especially note the significant shift in manufacturing location and urbanization that was taking place by the 1970s.
6. Describe and explain the following terms (which refer to regions of the United States): *Manufacturing Belt*; *Sun Belt*; *Snow Belt/Rust Belt*.
7. What is *fordism* (also called *fordist mass production*)?
 - Consider the general scale of production, skill-level of workers and the role of organized labor (unions) under fordism.
8. How and why can fordist mass production achieve cost efficiencies compared to *batch production*?
9. What is the difference between *optimizing economic behavior* and *satisficing economic behavior*?
10. Briefly contrast the theoretical starting points of *neoclassical economic theory* and *Marxian economic theory*—especially note and contrast the relative importance of individuals and classes within a society in both theories.
11. How do different economic theories explain the role of the government in a capitalist economy?
 - Contrast the general views of neoclassical theory (both the conservative and liberal perspectives) with that of Marxian theory.
 - Consider what each theory suggests the government should do to maximize the benefits of the economy for

its people, and/or what role the government plays in maintaining the status quo in the economy.

12. What is *location rent* and how does it give rise to different zones of land use (“von Thünen rings”)?
13. Explain the *law of diminishing returns*.
14. What generally happens to the intensity of production (the amount of production per acre or per square foot) with increasing distance from the center of a city or market? Why?
15. In what ways does economic “rent” influence land use in cities? Consider the different kinds of economic rent found in cities, such as *location rent*, *monopoly rent*, *amenity rent* and *scarcity rent*.
16. What is the *rank-size rule*?
17. What helps explain the rank-size rule?
18. What is meant by the *law of least effort*?
19. What is meant by the *friction of distance*?
20. Define the following terms associated with Christaller’s *Central Place Theory*: *low order good (or service)*; *high order good*; *range of a good*; *threshold of a good*.
21. Discuss the relationships between the ranges and thresholds of high order goods and low order goods.
22. Briefly explain the arrangement of settlements and market areas predicted by Christaller’s *marketing principle* in Central Place Theory.
 - Especially note the relative distance between competing sellers and the relative travel distance for consumers.
 - Why did Christaller believe that this arrangement of towns would be the most efficient or most advantageous for both sellers and consumers?
23. Briefly compare the assumptions of the von Thünen and Christaller location models. What are the similarities? What are the differences?
 - Consider such variables as transportation cost, ease of transportation in all directions, and the behavior of consumers and sellers.
24. In what ways can Central Place Theory principles be applied to help explain the geography of retailing within a large urban area?
 - For example, how do central business districts (CBDs), regional shopping centers, and corner “mini-markets” fit in with Central Place Theory?
25. Briefly define the following terms: *linear line haul costs*; *tapered line haul costs*; and *terminal costs*.
26. What is a *break of bulk location*?
27. What kinds of industries tend to locate at break of bulk locations? Why?