

History of Global Trade and Commerce

Economic History · Practice Test · 18 Questions

1. Which ancient civilization is credited with being the first to produce standardized metal coinage, known as the Lion of Lydia, around 600 BCE?

- A) The Phoenicians
- B) The Lydians
- C) The Sumerians
- D) The Minoans

2. During the 13th century, what was the name of the expansive trade route network that facilitated the exchange of goods and technology between China and the Mediterranean?

- A) The Amber Road
- B) The Trans-Saharan Route
- C) The Silk Road
- D) The Spice Route

3. In 17th-century Amsterdam, the Dutch East India Company (VOC) issued the world's first formal document of which type to raise capital?

- A) Government bonds
- B) Initial Public Offering (IPO) shares
- C) Bitcoins
- D) Fiat currency

4. The 'Law of Comparative Advantage', a fundamental principle of international trade, was formalised by which British economist in 1817?

- A) Adam Smith
- B) David Ricardo
- C) John Maynard Keynes
- D) Milton Friedman

5. Which substance was used as the primary 'commodity money' in the Aztec Empire, often used for small daily transactions?

- A) Gold dust
- B) Cacao beans
- C) Obsidian shards
- D) Salt bars

6. What was the primary purpose of the Bretton Woods Agreement signed in 1944?

- A) To establish the European Union
- B) To fix exchange rates to the US dollar gold standard
- C) To abolish international tariffs
- D) To create a global cryptocurrency

7. The Hanseatic League, which dominated trade in the Baltic and North Seas during the Middle Ages, was based primarily in which region?

- A) Northern Germany
- B) Southern Italy
- C) Western Spain
- D) Eastern Russia

8. What is the historical term for the 18th-century trade pattern involving the shipment of manufactured goods to West Africa, enslaved people to the Americas, and raw materials to Europe?

- A) The Great Circuit
- B) The Triangular Trade
- C) The Atlantic Exchange
- D) The Merchant Loop

9. In the 19th century, the 'Gold Standard' functioned on the principle that a country's currency was directly convertible into a fixed amount of what?

- A) Silver
- B) Gold
- C) Platinum
- D) Copper

10. The 'Great Depression' of the 1930s was exacerbated by the 1930 Smoot-Hawley Act, which focused on which economic policy?

- A) Increasing government subsidies
- B) Raising tariffs on imported goods
- C) Lowering corporate taxes
- D) Encouraging foreign investment

11. Which commodity was known as 'white gold' in the 17th and 18th centuries, driving massive shifts in global trade and plantation labor systems?

- A) Cotton
- B) Sugar
- C) Silk
- D) Porcelain

12. The 'Bill of Exchange', a precursor to modern banking instruments, became widely used in Medieval Europe to allow merchants to do what?

- A) Avoid carrying large amounts of physical bullion
- B) Pay taxes to the church
- C) Purchase land in foreign countries
- D) Track maritime weather patterns

13. What was the main scientific or navigational advancement that allowed European traders to reliably cross the Atlantic for trade in the late 15th century?

- A) The steam engine
- B) The astrolabe and improved hull design
- C) The invention of the telegraph
- D) The use of hot air balloons

14. Which trading company was granted a Royal Charter in 1600, eventually gaining administrative control over large parts of India?

- A) The Hudson's Bay Company
- B) The British East India Company
- C) The Dutch West India Company
- D) The Levant Company

15. In the 1970s, the global economy moved away from the Bretton Woods system to a system of what?

- A) Fixed currency pegs
- B) Floating exchange rates
- C) Pure barter
- D) Direct trade-in-kind

16. The 'Mercantilism' economic theory, prevalent from the 16th to 18th centuries, prioritized which goal for the state?

- A) Maximizing exports and accumulating precious metals
- B) Promoting free trade with neighbors
- C) Eliminating all import duties
- D) Reducing the size of the government

17. The 'Commodity Theory of Money' posits that money originally derived its value from what?

- A) Government decree
- B) The intrinsic value of the material it is made of
- C) The promise of future labor
- D) The reputation of the issuer

18. The Suez Canal, opened in 1869, revolutionized global commerce by drastically reducing the maritime distance between which two regions?

- A) Europe and Asia
- B) North America and South America
- C) Africa and Australia
- D) The Atlantic and the Pacific