

## MIDTERM EXAM #1 MATERIAL

The first midterm exam takes place **in class at 7:00pm on Tuesday, October 8th**. Probably 80 or so questions in 80 or so minutes - all multiple choice.

- Highlights of Canada at a Glance
  - Population
    - Growth has reached a peak in 1990 but is steadily growing since at a conservative rate throughout Canada except in Newfoundland where it struggles to be above 0%, Alberta shows a peak of 22% followed by Nunavut with 19%
      - Components of growth include: Births, Deaths, Immigrants, Emigrants, Returning Emigrants and temporary residents
    - Marital Status of Canada varies while showing a majority of wedded couples staying together with roughly 50% followed by single (never legally married) with 30%
    - English French and Chinese are the three main languages spoken
  - Health
    - Infant mortality in exponential decrease since 1939
    - Cancer cases have risen due to the medical advances we have made in the last century so this statistics isn't 100% representative of the actual cancer death rates
    - Life expectancy rose steadily from 60 to 83 through 50 some years of progress
  - Education
    - Ontario boasts the most expensive undergraduate education fees of Canada with an average of 6800 for a year in 2013, projected
    - Educational attainment of working-age population is steadied through the last few years, with a variation of, at most, 3% in only some aspects.
  - Crime
    - In the last ten years, police reported crimes have steadily decreased from 8000 a year to 6000 per 100000 which translates to around 6% of the population, the
    - The most "popular" violations was and remains property violations

- Police officers are distributed in correlation where crime is most present; we could now ask a hen and egg type of question, which came first, police or crimes?
- Income/Spending
  - Average after tax income in Canada has rose from 55k in 1990, 57k in 2000 and finally 65k in 2010, these are accounted while taking into consideration whereas the average household expenditure situates itself around 73k in 2011...
- Government
  - Central bank rate has been irregularly fluctuating for a few decades but has reached an all time high around 1980 reaching 21-22% and has reached an all time low of 1-2% during the recession in 2008 where we proactively lowered the interest rate to slow the economy down in order to avoid bankruptcy of multiple international businesses
- Labour
 

Unemployment rate	11.2	7.7	7.2
Males	12.0	8.1	7.7
Females	10.2	7.1	6.8
Participation rate	65.7	66.8	66.7
Males	73.9	73.0	71.3
Females	57.8	60.9	62.2
Employment rate	58.3	61.7	61.8
Males	65.0	67.1	65.8
Females	51.9	56.5	57.9
- Economy
  - See annexed pages
- International trades
  - See annexed Pages
- Energy
  - Refer to quiz #2
- Travel and transports
  - Main country of origin of visitors: USA (6,133 millions), UK (796 millions), France (544 millions), Germany (450 millions)
    - Number refer to dollars spent in Canada by tourist during their visit
  - Most visited country by Canadians: USA, Mexico, Cuba, UK (16168 millions, 1522, 719, 955)
    - Numbers refers to dollars spent by Canadians in their trip over visited countries

- Week 2 lecture about trade, wrong arguments against trade, etc. (see slides)
  - Wrong Arguments
    - Mercantilism which promoted blocking imports with tariffs to “accumulate precious metals”
    - Hurts our employment where it can only help it since we increase our comparative advantage by producing the things we’re best at and being the most efficient at it.
    - We should be self-sufficient
    - Isolationism policy like the US promotes
  - We are a small open economy that relies on trade compared to USA which is a large closed economy which is one of the reason we weren’t affected by the 2008 recession so much as they were
  - Imports and exports account for about 50 percent of our annual GDP with the USA
  - The free trade agreements we have are extremely important since they promote trade with other countries.
  - Exchange rates (currency) is the price of one currency in term of another one, it can also be explained by a weekly promotion flyer which shows two box of KD for 5\$, the exchange rate is then 2.50 for each box
  
- Foreign exchange market
  - Use supply and demand basics to explain where we situate ourselves concerning the market dynamics of trade in between most trading countries such as USA, UK and EU
  
- Barriers to trade, including "simple" quota graphs
  - Protectionism policy
  - Tariffs which are taxes on imports controlled by the customs of each country included in the trade that takes place
  - Customs procedures which can put a hold on trade when they are either too complicated, too lengthy
  - Standards, which are sometimes unnecessary and can slow down a process of acceptance into a country for a given product. This is also a double-edged sword since having some sort of standard is a good thing but having too much of them limits you on every simple aspect.
  
- Alberta economic overview (especially the provincial comparisons)

- Much more diversified economic revenues with a total GDP of about 306 billion compared to 66 in 1985; economic diversity is excellent in this case since it enhances its strength.
  - This particular province has a per capita investment that is not only a leader in Canada but almost double what any provinces (BC, Man, QC, Ont, NB, NS, PEI) is investing and a massive 20% ahead of two of them (Newfoundland and Saskatchewan) with 25k \$. The GDP per hour follows that line of thought with an amount of 68.50/hour.
  - The percentage of household accessing the internet is much higher in Alberta than most provinces in Canada but ahead of all of them with a massive 80% access throughout all of Alberta
  - The establishment of small businesses is also a strong point since its increase situates itself around 15%, the only province ahead is Ontario while the rest of them are struggling to even bring a positive number in the equation.
  - Provincial Net financial assets/debt ratio: Alberta = 9.3%
    - Every single other province posts a negative number starting at 5.1% and slowly creeping towards 51% for Quebec
  - Smallest income tax rate for corporations at 10% for generic businesses and 3 for small businesses which is evaluated with an income threshold of 500 000 CAD.
  - Leader in educated workforce with 80%
  - Leader in current unemployment rate with 4.6%
  - Leader in Median Income with 83k followed by Sask with 75k and slowly decreasing to 59k for PEI
  - Extreme ethnic diversity 26 different countries of origin for major ethnic groups
  - Above the Canadian average in Maths, Science and Reading in quality education
  - Better health care than the Canadian average with a lower death rate after a 30 day stay in hospital
- 2113 in the News
    - Read Associated News files
  - Canada Quizzes
    - Quiz #1
      - Population: 35 million
      - Trading price CAD: 0.97
      - Nunavut: Northern territory created in 1999

- GDP: 1.53 Trillion
- Prime minister international trade: Ed Fast
- Newfoundland Joined Canada in: 1949
- Current trade situation: Deficit
- Debt to GDP Ratio: 32%
- Bombardier is a main factor in Canada's GDP encouraging our economy locally, nationally and internationally
- Our GDP per capita is lower by 4k to the US'
- Quiz #2
  - Top provinces in terms of population: Ontario (12.9), Quebec (7.9), BC (4.4)
  - Canada's Largest cities: Toronto, Montreal, Vancouver, Ottawa-Gatineau, Calgary
  - Half of Canadian families earn more than the national median of 65 500\$
  - Average household expenditures in 2011: 55k
  - What period was the central bank's rate at its highest: early 80's
  - Projected deficit for 2012-13: 22-24 billion
  - Canadian labor force represents 54% of the population or 18.9 million people
  - More Canadians are employed in good producing businesses rather than service producing ones
  - Current unemployment rate: around 7%
  - Top trading partners: USA, UK, EU
  - Most important exports: energy products (petrol, natural gaz, electricity etc.), motor vehicles and parts, metal and non-metallic minerals
  - Most important imports: consumer goods, motor vehicles and parts, energy products
  - Summary of our agricultural economy: consolidation of farms reducing the number of farms but operating on the same overall land, operating margins of 15-20%