

Home School Partners – Economics, Week 20: Quiz 1 (Take-Home, Open Notes)

- _____ 1. The *best* definition below of a *steward* is someone who ____.
(A) owns an estate (B) manages resources (C) starts a business (D) spends money
- _____ 2. The word *economy* has often been used as a synonym of ____.
(A) wealth (B) wisdom (C) efficiency (D) buying
- _____ 3. The George Muller example and the coin-in-the-fish example show how followers of Jesus ____.
(A) live “outside normal economics” (B) pay taxes faithfully (C) respect government (D) all of these
- _____ 4. Government and economics have been linked historically because most rulers have ____.
(A) reduced taxes (B) left economies alone to grow (C) cut gov’t spending (D) interfered in the economy
- _____ 5. One proper, Biblical role of government involvement in an economy would be if a government ____.
(A) provided tools for poor laborers (C) forced a business to pay back money it cheated someone out of
(B) paid farmers to grow more wheat (D) set up a system of markets that sold food to buyers in a nation
- _____ 6. Henry Hazlitt said that one basic economic mistake is to only look at the effects of an economic policy ____.
(A) on one group, not all groups (B) in the short term, not the long term (C) both A & B (D) neither A nor B
- _____ 7. The command “Thou shalt love thy neighbor as thyself” (Matthew 22:39) assumes that individuals ____.
(A) love themselves a lot (B) usually hate others (C) look out for others first (D) all of these
- _____ 8. The “butcher, the brewer, [and] the baker” section of Adam Smith’s *Wealth of Nations* tells us that mankind ____.
(A) serves himself by serving others (B) seeks after others’ benefit first (C) both A & B (D) neither A nor B
- _____ 9. William Leggett’s essay “The True Functions of Government” states that gov’t’s purpose is to ____.
(A) provide for the poor (B) equalize trade (C) benefit workers (D) protect persons and property
- _____ 10. What does the Bible say about those who do not work?
(A) They shouldn’t eat. (B) They can get into trouble. (C) both A & B (D) neither A nor B
- _____ 11. The Bible often links the rich of this world with the tendency to ____.
(A) dismiss any need for God (B) walk humbly (C) trust deeply in God (D) be satisfied with what they have
- _____ 12. The lesson of John Wesley and J. Hudson Taylor can be summed up by saying that Christians should strive to ____.
(A) earn more money (B) trust God for miracles (C) live on less money (D) pray about their giving
- _____ 13. A Luddite is best described as someone who ____.
(A) acts as a poor steward (B) refuses to work (C) trusts too much in riches (D) opposes new machinery
- _____ 14. One mistake that Luddites make is that they fail to realize that ____.
(A) riches don’t save from sin (B) new technology creates new jobs (C) both A & B (D) neither A nor B
- _____ 15. Bible passages like the parable of the field owner and “*Thou shalt not covet*” affirm the right to ____.
(A) work (B) share with others (C) practice stewardship (D) property
- _____ 16. If you spend \$25 for a pair of shoes instead of paying for a haircut, your *opportunity cost* is ____.
(A) the haircut (B) the pair of shoes (C) both A & B (D) neither A nor B
- _____ 17. The study of *microeconomics* focuses more on ____.
(A) individual choices (B) buying patterns across a whole nation (C) selling, not buying (D) none of these
- _____ 18. Keynesian economist would *not* be in favor of ____.
(A) taxing imports (B) setting prices for goods (C) reducing gov’t involvement (D) gov’t jobs programs
- _____ 19. When supply of an item increases, the price ____; when supply of an item decreases, the price ____.
(A) decreases, decreases (B) decreases, increases (C) increases, increases (D) increases, decreases
- _____ 20. Gold and silver have been settled on by mankind for use as money because of all the following **except** their ____.
(A) divisibility (B) long-lasting nature (C) general usefulness (D) plentifulness

_____ **BONUS (+5):** Fill in the blank: “*Ye cannot serve God and ____.*”

Home School Partners – Economics, Week 20: Quiz 1 (Take-Home, Open Notes)

- B** 1. The *best* definition below of a *steward* is someone who ____.
(A) owns an estate (B) manages resources (C) starts a business (D) spends money
- C** 2. The word *economy* has often been used as a synonym of ____.
(A) wealth (B) wisdom (C) efficiency (D) buying
- A** 3. The George Muller example and the coin-in-the-fish example show how followers of Jesus ____.
(A) live “outside normal economics” (B) pay taxes faithfully (C) respect government (D) all of these
- D** 4. Government and economics have been linked historically because most rulers have ____.
(A) reduced taxes (B) left economies alone to grow (C) cut gov’t spending (D) interfered in the economy
- C** 5. One proper, Biblical role of government involvement in an economy would be if a government ____.
(A) provided tools for poor laborers (C) forced a business to pay back money it cheated someone out of
(B) paid farmers to grow more wheat (D) set up a system of markets that sold food to buyers in a nation
- C** 6. Henry Hazlitt said that one basic economic mistake is to only look at the effects of an economic policy ____.
(A) on one group, not all groups (B) in the short term, not the long term (C) both A & B (D) neither A nor B
- A** 7. The command “Thou shalt love thy neighbor as thyself” (Matthew 22:39) assumes that individuals ____.
(A) love themselves a lot (B) usually hate others (C) look out for others first (D) all of these
- A** 8. The “butcher, the brewer, [and] the baker” section of Adam Smith’s *Wealth of Nations* tells us that mankind ____.
(A) serves himself by serving others (B) seeks after others’ benefit first (C) both A & B (D) neither A nor B
- D** 9. William Leggett’s essay “The True Functions of Government” states that gov’t’s purpose is to ____.
(A) provide for the poor (B) equalize trade (C) benefit workers (D) protect persons and property
- C** 10. What does the Bible say about those who do not work?
(A) They shouldn’t eat. (B) They can get into trouble. (C) both A & B (D) neither A nor B
- A** 11. The Bible often links the rich of this world with the tendency to ____.
(A) dismiss any need for God (B) walk humbly (C) trust deeply in God (D) be satisfied with what they have
- C** 12. The lesson of John Wesley and J. Hudson Taylor can be summed up by saying that Christians should strive to ____.
(A) earn more money (B) trust God for miracles (C) live on less money (D) pray about their giving
- D** 13. A Luddite is best described as someone who ____.
(A) acts as a poor steward (B) refuses to work (C) trusts too much in riches (D) opposes new machinery
- B** 14. One mistake that Luddites make is that they fail to realize that ____.
(A) riches don’t save from sin (B) new technology creates new jobs (C) both A & B (D) neither A nor B
- D** 15. Bible passages like the parable of the field owner and “*Thou shalt not covet*” affirm the right to ____.
(A) work (B) share with others (C) practice stewardship (D) property
- A** 16. If you spend \$25 for a pair of shoes instead of paying for a haircut, your *opportunity cost* is ____.
(A) the haircut (B) the pair of shoes (C) both A & B (D) neither A nor B
- A** 17. The study of *microeconomics* focuses more on ____.
(A) individual choices (B) buying patterns across a whole nation (C) selling, not buying (D) none of these
- C** 18. Keynesian economist would *not* be in favor of ____.
(A) taxing imports (B) setting prices for goods (C) reducing gov’t involvement (D) gov’t jobs programs
- B** 19. When supply of an item increases, the price ____; when supply of an item decreases, the price ____.
(A) decreases, decreases (B) decreases, increases (C) increases, increases (D) increases, decreases
- D** 20. Gold and silver have been settled on by mankind for use as money because of all the following **except** their ____.
(A) divisibility (B) long-lasting nature (C) general usefulness (D) plentifulness

MAMMON BONUS (+5): Fill in the blank: “*Ye cannot serve God and ____.*”

Home School Partners – Economics, Week 23: Quiz 2

- ____ 1. The word *profit* is another way of describing ____.
 (A) gross income (B) macroeconomics (C) net income (D) stewardship
- ____ 2. The only one of the following things that profit does *not* produce is ____.
 (A) worse poverty for poor families (B) jobs (C) needed/wanted goods and services (D) cheaper products
- ____ 3. In a totally free, voluntary exchange economy, who will have the most say on who and what makes a profit?
 (A) the government (B) producers of goods/services (C) employees (D) consumers
- ____ 4. Which of the **two** following *false* economy choices do socialists and other anti-free-market types say we have?
 (A) total freedom (B) capitalists abusing workers (C) generous socialism (D) violent communism
- ____ 5. Those who favor a voluntary cooperative economy disagree with the common socialist/communist claim that ____.
 (A) “capitalists” and “workers” are forever fixed as groups (C) “capitalists” should be free to make profits
 (B) governments shouldn’t interfere with economies (D) all of these
- ____ 6. “Capitalism” is a system run by ____; socialism and communism are systems run by ____.
 (A) planners, individuals (B) planners, planners (C) individuals, planners (D) individuals, individuals
- ____ 7. Socialists mistakenly believe that in a voluntary exchange or “capitalist” economy, profits are made ____.
 (A) with unselfish motives (B) by making others poorer (C) to benefit buyers (D) all of these
- ____ 8. Socialists often accuse “capitalists” of ____.
 (A) brutal competition (B) abusing workers (C) encouraging selfishness (D) all of these
- ____ 9. One item that provides a solid moral background for a voluntary exchange economic system is ____.
 (A) a “survival of the fittest” mindset (B) Christian influence on honesty (C) both A & B (D) neither A nor B
- ____ 10. Karl Marx called the “capitalists,” or business owners, the “____”; he called the “workers” the “____.”
 (A) profiteers, proletariat (B) bourgeoisie, profiteers (C) proletariat, bourgeoisie (D) bourgeoisie, proletariat
- ____ 11. The irony of the system of socialism, compared to the claims of socialists, is that socialism ends up ____.
 (A) empowering an elite group (B) profiting the poor (C) increasing production (D) all of these
- ____ 12. The main reason socialism has never worked, and cannot work, is that government planners ____.
 (A) lack the needed power (B) can’t possibly have enough information (C) both A & B (D) neither A nor B
- ____ 13. In his “Why the Socialist State Is Impossible,” Auberon Herbert said that socialism teaches man to give up ____.
 (A) freedom (B) self-direction (C) both A & B (D) neither A nor B
- ____ 14. Those who believe the “broken-window fallacy” say that ____ creates ____.
 (A) destruction, prosperity (B) profit, jobs (C) destruction, poverty (D) socialism, prosperity
- ____ 15. Some pro-“broken-window fallacy” economists claim that war is ____ for an economy, saying that it ____.
 (A) good, destroys property (B) bad, speeds up progress (C) good, creates jobs (D) bad, kills human beings

Match each below description on the left with the economic terms it describes on the right.

- ____ 16. responsible for managing a household or resources (A) Luddite
- ____ 17. the total someone earns, without accounting for expenses (B) opportunity cost
- ____ 18. what someone gives up to obtain something else (C) economy
- ____ 19. another word to describe the concept of *efficiency* (D) steward
- ____ 20. associated with a fear of new technology or machinery (E) gross

_____ **BONUS (+5):** What is the other name for free-market economists who disagree with Keynesians?

Home School Partners – Economics, Week 23: Quiz 2

- C** 1. The word *profit* is another way of describing ____.
(A) gross income (B) macroeconomics (C) net income (D) stewardship
- A** 2. The only one of the following things that profit does *not* produce is ____.
(A) worse poverty for poor families (B) jobs (C) needed/wanted goods and services (D) cheaper products
- D** 3. In a totally free, voluntary exchange economy, who will have the most say on who and what makes a profit?
(A) the government (B) producers of goods/services (C) employees (D) consumers
- B** 4. Which of the **two** following *false* economy choices do socialists and other anti-free-market types say we have?
C (A) total freedom (B) capitalists abusing workers (C) generous socialism (D) violent communism
- A** 5. Those who favor a voluntary cooperative economy disagree with the common socialist/communist claim that ____.
(A) “capitalists” and “workers” are forever fixed as groups (C) “capitalists” should be free to make profits
(B) governments shouldn’t interfere with economies (D) all of these
- C** 6. “Capitalism” is a system run by ____; socialism and communism are systems run by ____.
(A) planners, individuals (B) planners, planners (C) individuals, planners (D) individuals, individuals
- B** 7. Socialists mistakenly believe that in a voluntary exchange or “capitalist” economy, profits are made ____.
(A) with unselfish motives (B) by making others poorer (C) to benefit buyers (D) all of these
- D** 8. Socialists often accuse “capitalists” of ____.
(A) brutal competition (B) abusing workers (C) encouraging selfishness (D) all of these
- B** 9. One item that provides a solid moral background for a voluntary exchange economic system is ____.
(A) a “survival of the fittest” mindset (B) Christian influence on honesty (C) both A & B (D) neither A nor B
- D** 10. Karl Marx called the “capitalists,” or business owners, the “____”; he called the “workers” the “____.”
(A) profiteers, proletariat (B) bourgeoisie, profiteers (C) proletariat, bourgeoisie (D) bourgeoisie, proletariat
- A** 11. The irony of the system of socialism, compared to the claims of socialists, is that socialism ends up ____.
(A) empowering an elite group (B) profiting the poor (C) increasing production (D) all of these
- B** 12. The main reason socialism has never worked, and cannot work, is that government planners ____.
(A) lack the needed power (B) can’t possibly have enough information (C) both A & B (D) neither A nor B
- C** 13. In his “Why the Socialist State Is Impossible,” Auberon Herbert said that socialism teaches man to give up ____.
(A) freedom (B) self-direction (C) both A & B (D) neither A nor B
- A** 14. Those who believe the “broken-window fallacy” say that ____ creates ____.
(A) destruction, prosperity (B) profit, jobs (C) destruction, poverty (D) socialism, prosperity
- C** 15. Some pro-“broken-window fallacy” economists claim that war is ____ for an economy, saying that it ____.
(A) good, destroys property (B) bad, speeds up progress (C) good, creates jobs (D) bad, kills human beings

Match each below description on the left with the economic terms it describes on the right.

- D** 16. responsible for managing a household or resources (A) Luddite
- E** 17. the total someone earns, without accounting for expenses (B) opportunity cost
- B** 18. what someone gives up to obtain something else (C) economy
- C** 19. another word to describe the concept of *efficiency* (D) steward
- A** 20. associated with a fear of new technology or machinery (E) gross

Austrian BONUS (+5): What is the other name for free-market economists who disagree with Keynesians?

Home School Partners – Economics, Week 26: Quiz 3

- ____ 1. The proper definition of *inflation* is an increase in ____.
 (A) prices (B) the supply of money (C) both A & B (D) neither A nor B
- ____ 2. All the below choices correctly describe inflation **except** that it ____.
 (A) lowers money's value (B) increases wealth (C) benefits elite groups (D) robs the poor
- ____ 3. All the below are examples of actual wealth **except** ____.
 (A) a pair of glasses (B) gold (C) money (D) a home
- ____ 4. One of the worst aspects of inflation is that the people tend to blame ____, when it is really caused by ____.
 (A) banks, government (B) sellers, buyers (C) businesses, government (D) producers, capitalists
- ____ 5. To say that the Federal Reserve should set interest rates is the same as saying governments should ____.
 (A) set the price of shoes (B) punish producers (C) give to the poor (D) debase the currency
- ____ 6. The “price system” in a voluntary-exchange economy ____.
 (A) regulates itself (B) determines what will be produced (C) changes constantly (D) all of these
- ____ 7. *Price controls* are best described as actions that ____.
 (A) violate property rights (B) help make goods available (C) both A & B (D) neither A nor B
- ____ 8. One result of price controls is that producers produce ____ of that good/service, and buyers buy ____ of it.
 (A) less, more (B) less, less (C) more, less (D) more, more
- ____ 9. *Price gouging* is best described as an activity that ____.
 (A) hurts needy persons (B) violates property rights (C) keeps goods available (D) can be precisely defined
- ____ 10. One reason why grocery stores are run better than Departments of Motor Vehicles is that grocery stores ____.
 (A) have competition (B) must make profits (C) both A & B (D) neither A nor B
- ____ 11. “I, Pencil” describes one key reason pencil producers make pencils, which is to ____.
 (A) provide jobs (B) please others who want them (C) both A & B (D) neither A nor B
- ____ 12. “I, Pencil” compares the efficiency of hundreds of groups combining to make pencils to the poor efficiency of ____.
 (A) the DMV (B) the U. S. Post Office (C) state governments (D) all of these
- ____ 13. The “Invisible Hand” concept that “I, Pencil” refers to explains how individuals ____ by providing for others.
 (A) enrich themselves (B) provide employment (C) encourage honesty (D) none of these
- ____ 14. One reason the author of “I, Pencil” chose the pencil as his object of study is that a pencil is relatively ____.
 (A) needed (B) modern (C) popular (D) simple
- ____ 15. One reason why government spending is so wasteful is that ____.
 (A) it's not the spenders' money (B) officials face so much pressure (C) both A & B (D) neither A nor B
- ____ 16. It's no surprise that the “clean” energy industry benefited in the 2000s, since the government did what with/to it?
 (A) funded it with plundered taxes (B) decreased regulations (C) let it develop on its own (D) all of these
- ____ 17. A *bureaucracy* is best defined as a(n) ____.
 (A) highly efficient agency (B) group of elected leaders (C) both A & B (D) neither A nor B
- ____ 18. All the following are features of bureaucrats **except** ____.
 (A) high salaries (B) added business costs (C) perfunctory rule following (D) small employee numbers
- ____ 19. The reason much of the public thinks that *public works* are effective is because public works are ____.
 (A) inexpensive (B) visible (C) not paid for via taxes (D) all of these
- ____ 20. *Monopolies* are ____.
 (A) nearly impossible to define (B) commonly created by governments (C) both A & B (D) neither A nor B

_____ **BONUS (+5):** About how many American households pay the salary of a single bureaucrat?

Home School Partners – Economics, Week 26: Quiz 3

- B** 1. The proper definition of *inflation* is an increase in ____.
(A) prices (B) the supply of money (C) both A & B (D) neither A nor B
- B** 2. All the below choices correctly describe inflation **except** that it ____.
(A) lowers money's value (B) increases wealth (C) benefits elite groups (D) robs the poor
- C** 3. All the below are examples of actual wealth **except** ____.
(A) a pair of glasses (B) gold (C) money (D) a home
- C** 4. One of the worst aspects of inflation is that the people tend to blame ____, when it is really caused by ____.
(A) banks, government (B) sellers, buyers (C) businesses, government (D) producers, capitalists
- A** 5. To say that the Federal Reserve should set interest rates is the same as saying governments should ____.
(A) set the price of shoes (B) punish producers (C) give to the poor (D) debase the currency
- D** 6. The “price system” in a voluntary-exchange economy ____.
(A) regulates itself (B) determines what will be produced (C) changes constantly (D) all of these
- A** 7. *Price controls* are best described as actions that ____.
(A) violate property rights (B) help make goods available (C) both A & B (D) neither A nor B
- A** 8. One result of price controls is that producers produce ____ of that good/service, and buyers buy ____ of it.
(A) less, more (B) less, less (C) more, less (D) more, more
- C** 9. *Price gouging* is best described as an activity that ____.
(A) hurts needy persons (B) violates property rights (C) keeps goods available (D) can be precisely defined
- C** 10. One reason why grocery stores are run better than Departments of Motor Vehicles is that grocery stores ____.
(A) have competition (B) must make profits (C) both A & B (D) neither A nor B
- B** 11. “I, Pencil” describes one key reason pencil producers make pencils, which is to ____.
(A) provide jobs (B) please others who want them (C) both A & B (D) neither A nor B
- B** 12. “I, Pencil” compares the efficiency of hundreds of groups combining to make pencils to the poor efficiency of ____.
(A) the DMV (B) the U. S. Post Office (C) state governments (D) all of these
- A** 13. The “Invisible Hand” concept that “I, Pencil” refers to explains how individuals ____ by providing for others.
(A) enrich themselves (B) provide employment (C) encourage honesty (D) none of these
- D** 14. One reason the author of “I, Pencil” chose the pencil as his object of study is that a pencil is relatively ____.
(A) needed (B) modern (C) popular (D) simple
- A** 15. One reason why government spending is so wasteful is that ____.
(A) it's not the spenders' money (B) officials face so much pressure (C) both A & B (D) neither A nor B
- A** 16. It's no surprise that the “clean” energy industry benefited in the 2000s, since the government did what with/to it?
(A) funded it with plundered taxes (B) decreased regulations (C) let it develop on its own (D) all of these
- D** 17. A *bureaucracy* is best defined as a(n) ____.
(A) highly efficient agency (B) group of elected leaders (C) both A & B (D) neither A nor B
- D** 18. All the following are features of bureaucrats **except** ____.
(A) high salaries (B) added business costs (C) perfunctory rule following (D) small employee numbers
- B** 19. The reason much of the public thinks that *public works* are effective is because public works are ____.
(A) inexpensive (B) visible (C) not paid for via taxes (D) all of these
- C** 20. *Monopolies* are ____.
(A) nearly impossible to define (B) commonly created by governments (C) both A & B (D) neither A nor B
- 5** **BONUS (+5):** About how many American households pay the salary of a single bureaucrat?

Home School Partners – Economics, Week 29: Quiz 4

- ___ 1. The cobra bounties, potato crisis, and Endangered Species Act all demonstrate the ___ government planning.
(A) devalued money value from (B) unintended consequences of (C) rare efficiency of (D) none of these
- ___ 2. Tariffs added to imported goods ____.
(A) benefit producers at the expense of buyers (B) make goods cheaper (C) encourage trade (D) all of these
- ___ 3. The Bible warns rulers not to take “___,” or bribes that pervert justice and judgement.
(A) decrees (B) gifts (C) mammon (D) none of these
- ___ 4. The U. S. product described in our book that benefits from tariffs and restricted trade is ____.
(A) coal (B) steel (C) sugar (D) computers
- ___ 5. What is the most Biblical reason for a government to require taxes?
(A) schools (B) medical care for senior citizens (C) judges and police officers (D) roads
- ___ 6. The best example of an *exaction* is a tax that ____.
(A) pays for prison cells (B) raises taxes on “the rich” (C) pays for jury member salaries (D) all of these
- ___ 7. Which of the following is an example of an exaction?
(A) a protective tariff (B) inflation (C) both A & B (D) neither A nor B
- ___ 8. Higher taxes do all the following **except** ____.
(A) cut investing (B) reduce employment (C) increase fraud potential (D) increase hours worked
- ___ 9. In some years in the 1950s, income more than \$200K per year was taxed at a ___ percent rate.
(A) 23 (B) 58 (C) 91 (D) 98
- ___ 10. One study of welfare in the U. S. showed that ___ percent of welfare spending went to bureaucrats, not to the poor.
(A) 25 (B) 50 (C) 70 (D) 90
- ___ 11. If the amount of money saved in an economy ____, then the interest rate ____.
(A) increases, decreases (B) decreases, decreases (C) increases, increases
- ___ 12. The “stimulus jobs bill” the government voted on ended up costing ___ for every “job” created.
(A) \$50,000-100,000 (B) \$200,000-600,000 (C) \$1 million (D) none of these
- ___ 13. When businesses are forced to raise the minimum wage and must increase their prices, customers ____.
(A) stop buying their products (B) buy alternatives (C) buy less than usual (D) all of these
- ___ 14. When governments announce that no one is allowed to be paid less than \$20 per hour, ____.
(A) many workers making less lose their jobs (B) all employees get raises (C) neither A nor B
- ___ 15. About ___ of American workers earn the minimum wage?
(A) 1-3 percent (B) 12-15 percent (C) 20-23 percent (D) 35-40 percent
- ___ 16. Saying that workers are often or always underpaid is basically the same thing as saying that ____.
(A) cars are too expensive (B) shoes, homes, and beets are too cheap (C) taxes are too high (D) all of these
- ___ 17. The morally right and most economically sensible way for workers to increase their pay is for them to ____.
(A) work more steadily (B) increase their productivity (C) lobby for minimum wage increases
- ___ 18. One way to kill your chances of success at work is to approach your work in a ___ manner.
(A) scrupulous (B) vehement (C) perfunctory
- ___ 19. Which issue has been associated historically with labor unions?
(A) treating all employees as individuals (B) violence (C) both A & B (D) neither A nor B
- ___ 20. The Bible tells Christians not to be “unequally yoked together with ____.”
(A) the wicked (B) masters (C) unworthy workmen (D) unbelievers

_____ **BONUS (+5):** The two news articles we read about the 2009 recession claimed that the recession was worsening because Americans were doing what?

Home School Partners – Economics, Week 29: Quiz 4

- B** 1. The cobra bounties, potato crisis, and Endangered Species Act all demonstrate the ___ government planning.
(A) devalued money value from (B) unintended consequences of (C) rare efficiency of (D) none of these
- A** 2. Tariffs added to imported goods ____.
(A) benefit producers at the expense of buyers (B) make goods cheaper (C) encourage trade (D) all of these
- B** 3. The Bible warns rulers not to take “___,” or bribes that pervert justice and judgement.
(A) decrees (B) gifts (C) mammon (D) none of these
- C** 4. The U. S. product described in our book that benefits from tariffs and restricted trade is ____.
(A) coal (B) steel (C) sugar (D) computers
- C** 5. What is the most Biblical reason for a government to require taxes?
(A) schools (B) medical care for senior citizens (C) judges and police officers (D) roads
- B** 6. The best example of an *exaction* is a tax that ____.
(A) pays for prison cells (B) raises taxes on “the rich” (C) pays for jury member salaries (D) all of these
- C** 7. Which of the following is an example of an exaction?
(A) a protective tariff (B) inflation (C) both A & B (D) neither A nor B
- D** 8. Higher taxes do all the following **except** ____.
(A) cut investing (B) reduce employment (C) increase fraud potential (D) increase hours worked
- C** 9. In some years in the 1950s, income more than \$200K per year was taxed at a ___ percent rate.
(A) 23 (B) 58 (C) 91 (D) 98
- C** 10. One study of welfare in the U. S. showed that ___ percent of welfare spending went to bureaucrats, not to the poor.
(A) 25 (B) 50 (C) 70 (D) 90
- A** 11. If the amount of money saved in an economy ____, then the interest rate ____.
(A) increases, decreases (B) decreases, decreases (C) increases, increases
- B** 12. The “stimulus jobs bill” the government voted on ended up costing ___ for every “job” created.
(A) \$50,000-100,000 (B) \$200,000-600,000 (C) \$1 million (D) none of these
- D** 13. When businesses are forced to raise the minimum wage and must increase their prices, customers ____.
(A) stop buying their products (B) buy alternatives (C) buy less than usual (D) all of these
- A** 14. When governments announce that no one is allowed to be paid less than \$20 per hour, ____.
(A) many workers making less lose their jobs (B) all employees get raises (C) neither A nor B
- A** 15. About ___ of American workers earn the minimum wage?
(A) 1-3 percent (B) 12-15 percent (C) 20-23 percent (D) 35-40 percent
- B** 16. Saying that workers are often or always underpaid is basically the same thing as saying that ____.
(A) cars are too expensive (B) shoes, homes, and beets are too cheap (C) taxes are too high (D) all of these
- B** 17. The morally right and most economically sensible way for workers to increase their pay is for them to ____.
(A) work more steadily (B) increase their productivity (C) lobby for minimum wage increases
- C** 18. One way to kill your chances of success at work is to approach your work in a ___ manner.
(A) scrupulous (B) vehement (C) perfunctory
- B** 19. Which issue has been associated historically with labor unions?
(A) treating all employees as individuals (B) violence (C) both A & B (D) neither A nor B
- D** 20. The Bible tells Christians not to be “unequally yoked together with ____.”
(A) the wicked (B) masters (C) unworthy workmen (D) unbelievers

SAVING BONUS (+5): The two news articles we read about the 2009 recession claimed that the recession was worsening because Americans were doing what?

Home School Partners – Economics, Week 31: Final (200 Points)

To the left of the number, write the letter that matches the description with the term (4 points each):

- | | | |
|-----|---|---------------------|
| ___ | 1. the “broken window” fallacy says that this causes economic prosperity | A. bureaucrat |
| ___ | 2. what is made by producing goods and services more efficiently | B. destruction |
| ___ | 3. common result for workers who make less than the new minimum wage | C. interest rate |
| ___ | 4. someone who believes new technology is harmful to the economy | D. Luddite |
| ___ | 5. government policy of manipulating what businesses may charge | E. minimum wage |
| ___ | 6. a nation’s true economic goal is to maximize this | F. price fixing |
| ___ | 7. the price of loaned capital | G. production |
| ___ | 8. a government employee who slows down economic growth | H. profit |
| ___ | 9. a lower supply of a good that contributes to higher prices | I. scarcity |
| ___ | 10. a tax that benefits one certain industry at the expense of all others | J. strike |
| ___ | 11. a government order that no one can work for less than a certain amount | K. tariff |
| ___ | 12. what a man should do if he wants to eat (2 Thessalonians 3:10) | L. unemployment |
| ___ | 13. a method in which labor unions threaten employers | M. work |
| ___ | 14. what results when government fixes an item’s price too low | A. inflation |
| ___ | 15. government’s printing more of and lowering the value of paper money | B. labor union |
| ___ | 16. “Let him who stole steal no more” (Ephesians 4:28) upholds this right | C. machinery |
| ___ | 17. what you give up so you can get something else | D. opportunity cost |
| ___ | 18. inefficient tax-funded projects that only appear to help the economy | E. price |
| ___ | 19. what pays for various government spending programs | F. private property |
| ___ | 20. when a worker increases this, it leads to higher wages for himself | G. productivity |
| ___ | 21. it is often responsible for fixing worker wages above true market value | H. public works |
| ___ | 22. someone in charge of managing a household | I. shortage |
| ___ | 23. the amount of goods produced in an economy | J. steward |
| ___ | 24. what is determined by supply and demand in a free economy | K. supply |
| ___ | 25. puts some out of work temporarily, but benefits the overall economy | L. taxes |



Questions 26-35 are worth 10 points each.

- _____ 26. Which answer below best sums up the lesson of “The Rich and the Poor: A Fairy Tale”?
- (A) No matter how poor you are, there’s always someone worse off than you are.
 - (B) If you took away the goods of the rich, the poor would suffer as much or worse.
 - (C) The labor of the poor is the only reason most of the rich are in the position they’re in.
 - (D) Taxes are a burden to pay, but they help the rich and poor alike.
- _____ 27. Which answer below sums up the main lesson offered by the “Luxury Tax Myth” article?
- (A) Politicians’ attempts at doing one thing often end up negatively affecting others they never thought about.
 - (B) Taxes on luxury items aren’t popular, but they do bring in extra funds for governments that need money.
 - (C) Tariffs help industries compete, but only at the expense of those who have to pay more for products.
 - (D) None of these
- _____ 28. What happened after the luxury tax on boats was added in 1990?
- (A) More taxes were collected by the government on the luxury boats.
 - (B) Luxury boat buyers grumbled about the tax, but ended up buying more boats than ever.
 - (C) 25,000 boating industry jobs were lost.
 - (D) All of the above
- _____ 29. Why are government economic policies that try to fix the problems of a single group *overall* failures?
- (A) The policies *do* benefit all groups, but they often take too long for the government to get credit it deserves.
 - (B) The groups that are *not* helped become frustrated, which causes a drop in the amount they produce.
 - (C) Those who set the policies fail to see or do not care how the policies affect other groups in the long run.
 - (D) Government economic policies that try to fix the problems of one group are *never* failures, you silly goose!
- _____ 30. Which of the below is an example of “the broken window” fallacy?
- (A) A government taxes shoes imported from China, which forces citizens to spend millions more on shoes.
 - (B) A man holding a glass window steps in a hole, falls and breaks the window, but discovers gold in the hole.
 - (C) A furniture factory closes because a new technology is invented to make furniture more cheaply.
 - (D) A criminal sets a forest on fire, saying, “I helped the economy by creating work for firemen.”
- _____ 31. How does government spending to create jobs affect a nation’s economy?
- (A) It benefits the economy, because it puts people to work who otherwise wouldn’t have jobs.
 - (B) It harms the economy, because to truly help a nation, a government should spend more on *everybody*.
 - (C) It benefits the economy, because it gets work done that private businesses don’t realize needs doing.
 - (D) It harms the economy, because it takes money away from producers and spends it on less productive projects.
- _____ 32. Which two things happen when the government increases taxes on businesses? (Choose TWO!)
- (A) Business owners are more likely to buy machines that increase production.
 - (B) Business owners are more likely to hire new employees or give raises.
 - (C) Business owners are less likely to buy machines that increase production.
 - (D) Potential business owners are discouraged from starting a business.
- _____ 33. In what two ways do machines make life better for the average person? (Choose TWO!)
- (A) They make goods cheaper for the average person to buy.
 - (B) They decrease the amount of goods produced, which decreases costs.
 - (C) They increase wages, because they increase the productivity of laborers.
 - (D) They increase the price of goods, which increases profits for business owners.
- _____ 34. Choose the right answer to this: “Gas stations are charging more for gas since the hurricane made the demand for gas go up. That’s not fair; the government should make them lower their prices back to what they were!”
- (A) “Since demand for gas is up, prices will go up. Of course they will charge more for gas; that’s their right!”
 - (B) “If they were forced to lower their prices, more people would buy more gas, and there would be a shortage.”
 - (C) “The price increase keeps gas available to those who need it most, and reduces casual buyers.”
 - (D) All of the above
- _____ 35. How are minimum wage laws related to personal freedom?
- (A) They increase personal freedom because they let employers find more skilled workers.
 - (B) They decrease personal freedom because they are directly paid for through taxes.
 - (C) They increase personal freedom because they make goods and services more available for buyers.
 - (D) They decrease personal freedom because they violate the right of people to work for and pay what they want.

Home School Partners – Economics, Week 31: Final (200 Points)

To the left of the number, write the letter that matches the description with the term (4 points each):

- | | | |
|----------|---|---------------------|
| B | 1. the “broken window” fallacy says that this causes economic prosperity | A. bureaucrat |
| H | 2. what is made by producing goods and services more efficiently | B. destruction |
| L | 3. common result for workers who make less than the new minimum wage | C. interest rate |
| D | 4. someone who believes new technology is harmful to the economy | D. Luddite |
| F | 5. government policy of manipulating what businesses may charge | E. minimum wage |
| G | 6. a nation’s true economic goal is to maximize this | F. price fixing |
| C | 7. the price of loaned capital | G. production |
| A | 8. a government employee who slows down economic growth | H. profit |
| I | 9. a lower supply of a good that contributes to higher prices | I. scarcity |
| K | 10. a tax that benefits one certain industry at the expense of all others | J. strike |
| E | 11. a government order that no one can work for less than a certain amount | K. tariff |
| M | 12. what a man should do if he wants to eat (2 Thessalonians 3:10) | L. unemployment |
| J | 13. a method in which labor unions threaten employers | M. work |
| I | 14. what results when government fixes an item’s price too low | A. inflation |
| A | 15. government’s printing more of and lowering the value of paper money | B. labor union |
| F | 16. “Let him who stole steal no more” (Ephesians 4:28) upholds this right | C. machinery |
| D | 17. what you give up so you can get something else | D. opportunity cost |
| H | 18. inefficient tax-funded projects that only appear to help the economy | E. price |
| L | 19. what pays for various government spending programs | F. private property |
| G | 20. when a worker increases this, it leads to higher wages for himself | G. productivity |
| B | 21. it is often responsible for fixing worker wages above true market value | H. public works |
| J | 22. someone in charge of managing a household | I. shortage |
| K | 23. the amount of goods produced in an economy | J. steward |
| E | 24. what is determined by supply and demand in a free economy | K. supply |
| C | 25. puts some out of work temporarily, but benefits the overall economy | L. taxes |

Questions 26-35 are worth 10 points each.

- B** 26. Which answer below best sums up the lesson of “The Rich and the Poor: A Fairy Tale”?
- (A) No matter how poor you are, there’s always someone worse off than you are.
 - (B) If you took away the goods of the rich, the poor would suffer as much or worse.
 - (C) The labor of the poor is the only reason most of the rich are in the position they’re in.
 - (D) Taxes are a burden to pay, but they help the rich and poor alike.
- A** 27. Which answer below sums up the main lesson offered by the “Luxury Tax Myth” article?
- (A) Politicians’ attempts at doing one thing often end up negatively affecting others they never thought about.
 - (B) Taxes on luxury items aren’t popular, but they do bring in extra funds for governments that need money.
 - (C) Tariffs help industries compete, but only at the expense of those who have to pay more for products.
 - (D) None of these
- C** 28. What happened after the luxury tax on boats was added in 1990?
- (A) More taxes were collected by the government on the luxury boats.
 - (B) Luxury boat buyers grumbled about the tax, but ended up buying more boats than ever.
 - (C) 25,000 boating industry jobs were lost.
 - (D) All of the above
- C** 29. Why are government economic policies that try to fix the problems of a single group *overall* failures?
- (A) The policies *do* benefit all groups, but they often take too long for the government to get credit it deserves.
 - (B) The groups that are *not* helped become frustrated, which causes a drop in the amount they produce.
 - (C) Those who set the policies fail to see or do not care how the policies affect other groups in the long run.
 - (D) Government economic policies that try to fix the problems of one group are *never* failures, you silly goose!
- D** 30. Which of the below is an example of “the broken window” fallacy?
- (A) A government taxes shoes imported from China, which forces citizens to spend millions more on shoes.
 - (B) A man holding a glass window steps in a hole, falls and breaks the window, but discovers gold in the hole.
 - (C) A furniture factory closes because a new technology is invented to make furniture more cheaply.
 - (D) A criminal sets a forest on fire, saying, “I helped the economy by creating work for firemen.”
- D** 31. How does government spending to create jobs affect a nation’s economy?
- (A) It benefits the economy, because it puts people to work who otherwise wouldn’t have jobs.
 - (B) It harms the economy, because to truly help a nation, a government should spend more on *everybody*.
 - (C) It benefits the economy, because it gets work done that private businesses don’t realize needs doing.
 - (D) It harms the economy, because it takes money away from producers and spends it on less productive projects.
- C** 32. Which two things happen when the government increases taxes on businesses? (Choose TWO!)
- D**
- (A) Business owners are more likely to buy machines that increase production.
 - (B) Business owners are more likely to hire new employees or give raises.
 - (C) Business owners are less likely to buy machines that increase production.
 - (D) Potential business owners are discouraged from starting a business.
- A** 33. In what two ways do machines make life better for the average person? (Choose TWO!)
- C**
- (A) They make goods cheaper for the average person to buy.
 - (B) They decrease the amount of goods produced, which decreases costs.
 - (C) They increase wages, because they increase the productivity of laborers.
 - (D) They increase the price of goods, which increases profits for business owners.
- D** 34. Choose the right answer to this: “Gas stations are charging more for gas since the hurricane made the demand for gas go up. That’s not fair; the government should make them lower their prices back to what they were!”
- (A) “Since demand for gas is up, prices will go up. Of course they will charge more for gas; that’s their right!”
 - (B) “If they were forced to lower their prices, more people would buy more gas, and there would be a shortage.”
 - (C) “The price increase keeps gas available to those who need it most, and reduces casual buyers.”
 - (D) All of the above
- D** 35. How are minimum wage laws related to personal freedom?
- (A) They increase personal freedom because they let employers find more skilled workers.
 - (B) They decrease personal freedom because they are directly paid for through taxes.
 - (C) They increase personal freedom because they make goods and services more available for buyers.
 - (D) They decrease personal freedom because they violate the right of people to work for and pay what they want.