

Economics: A Christian Worldview – Quiz 4B

- _____ 1. A customer buys a bicycle. This means that ____ profited.
A. the seller B. the buyer C. both seller and buyer D. neither the seller nor buyer
- _____ 2. Which definition best matches the broader use of the word *profit*?
A. the gain that comes from the resale of land or other property
B. benefit, advantage, or acquisition of something valuable
C. tax revenue that is collected before costs are paid
D. income earned by wealthy investors
- _____ 3. The reading uses examples like VCRs, smartphones, and plumbing mainly to show that ____.
A. profit and competition can make formerly expensive goods more affordable
B. luxury goods tend to become necessities over years
C. technology is much more important than labor
D. governments can spread prosperity widely
- _____ 4. The term *voluntary cooperation* is more accurate than the usual caricature of capitalism because ____.
A. labor and capital must be kept permanently separate
B. profit via a greedy mindset should be removed from economic life
C. free exchange is made up of voluntary choices, not domination by a fixed ruling class
D. government planning tends to work more effectively in modern economies
- _____ 5. Critics often misunderstand *voluntary exchange*, because they wrongly assume that ____.
A. wealth comes mainly from better tools and planning
B. one person can gain only if someone else is made poorer
C. consumers never act in self-interest
D. laborers benefit most from socialism
- _____ 6. What role has Christianity played in the development of freer economies?
A. It tends to erase sinful from economic decisions.
B. It created government ownership of property.
C. It helped shape habits of honesty and respect for property.
D. it taught that poverty is often associated with higher production.
- _____ 7. One central reason socialism fails is that it ____.
A. allows too much freedom in pricing
B. depends too heavily on voluntary charity
C. leaves too much power with local communities
D. ignores human self-interest and weakens incentives to produce
- _____ 8. Wannabe Central Planners cannot successfully run an economy because they ____.
A. cannot accurately determine the endless preferences of millions of people
B. rely on statistics that they don't really understand
C. lack access to banks from which they can borrow money
D. usually shun the use of helpful modern technology
- _____ 9. In Bastiat's broken-window lesson, society is poorer after the broken window because ____.
A. the glazier overcharges for the repair, which harms the window buyer's economic situation
B. destruction always causes inflation around the community in which it occurs
C. resources are diverted to replacement instead of creating an additional good or benefit
D. only producers matter in the calculation
- _____ 10. The broken-window fallacy applies to war in that ____.
A. military spending is identical to investment spending
B. war helps economies by raising employment quickly
C. reconstruction proves that destruction can create wealth
D. destroying lives and property harms society, even if some industries gain in the short run

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