

***Economics: A Christian Worldview – Quiz 6A***

- \_\_\_\_\_ 1. Milton Friedman notes that when the government takes over a responsibility, cost \_\_\_ and quality \_\_\_\_.  
A. rises, rises B. rises, falls C. falls, rises D. rises, rises
- \_\_\_\_\_ 2. Government spending is usually more wasteful because \_\_\_\_.  
A. government tends to hire less educated individuals to run things  
B. officials spend other people's money and feel less discipline  
C. taxpayers nearly always approve every new expense that comes up  
D. all of these
- \_\_\_\_\_ 3. Cost comparisons are linked to bureaucrats' salaries, since bureaucrats are typically \_\_\_\_.  
A. paid slightly less than employees in private companies  
B. given fewer benefits like sick pay and days off  
C. compensated at roughly double private-sector levels  
D. paid based on what they produce, instead of a salary
- \_\_\_\_\_ 4. A central weakness of bureaucracy is that it \_\_\_\_.  
A. has to fight constantly to convince customers to come back  
B. regularly faces too much competition to survive  
C. lacks the accountability that private businesses face  
D. none of these
- \_\_\_\_\_ 5. In the contract-city example, Sandy Springs's outsourced services were notable because they \_\_\_\_.  
A. delivered services at much lower cost than the prior arrangement  
B. eliminated all public decision-making  
C. failed despite higher spending on services  
D. required far more employees working for the outsourcing company
- \_\_\_\_\_ 6. The comparison between the cities of Sandy Springs and Roswell encourages the conclusion that \_\_\_\_.  
A. fewer personnel can often provide services more efficiently than bureaucracies  
B. cities can be very effective at outsourcing services to private companies  
C. neither A nor B  
D. both A and B
- \_\_\_\_\_ 7. Private employers think about hiring by trying to figure out whether a new employee will \_\_\_\_.  
A. support new regulations that help the business make more money  
B. qualify for government benefits to avoid having to pay a large salary  
C. contribute more value than the total cost of employing him  
D. satisfy a political group that benefits from the hiring
- \_\_\_\_\_ 8. Milton Friedman's spoon remark exposes the weakness in judging economic success by \_\_\_\_.  
A. the sheer number of jobs used to complete a task  
B. the number of customers who want a good or service  
C. looking at how productive each worker is  
D. the quality of the finished work
- \_\_\_\_\_ 9. Peter Schiff's criticism of Paul Krugman's recession cure is that increasing government jobs \_\_\_\_.  
A. creates more real goods automatically by shifting spending to needed areas  
B. tends to lower taxes on the poor, when it is the rich who create jobs  
C. does not solve poverty, because poor people need more goods, not state jobs  
D. none of these
- \_\_\_\_\_ 10. The anti-monopoly discussion suggests that officials cannot perfectly police monopolies because \_\_\_\_.  
A. they would need a larger budget to enforce laws that prohibited monopolies  
B. they would need better advertising data from large companies who are "almost monopolies"  
C. they would need more authority by judges and courts to do their job effectively  
D. they would need more knowledge of preferences, costs, competitors, and future effects

***Economics: A Christian Worldview – Quiz 6A (ANSWER KEY)***

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