

Economics: A Christian Worldview – Quiz 7A

- _____ 1. What is an *unintended consequence*?
- A. A result that lawmakers reasonably expected
 - B. A benefit that appears only in the short term
 - C. An unexpected result of a policy or action
 - D. A cost that applies only to businesses
- _____ 2. In Bastiat's public works example, what is the unseen effect of the government project?
- A. Other workers lose jobs or sales because taxpayers have less to spend.
 - B. Construction workers become less productive over time.
 - C. Imported goods become cheaper for consumers.
 - D. Government borrowing automatically lowers prices.
- _____ 3. What is the *positive* unintended-consequence example connected to Adam Smith?
- A. price controls
 - B. welfare redistribution
 - C. protective tariffs
 - D. the invisible hand
- _____ 4. What is one likely result of anti-price-gouging laws during emergencies?
- A. Sellers immediately expand production to take advantage of higher demand.
 - B. Goods become more available to those who need them most.
 - C. Shortages worsen because buyers buy more and sellers are discouraged.
 - D. Consumers become less likely to panic-buy.
- _____ 5. In the Obamacare example, many companies _____ after being required to provide health insurance to certain workers?
- A. expanded benefits to all part-time workers
 - B. reduced some workers' hours or positions
 - C. increased wages to offset the new rule
 - D. shifted more workers into management
- _____ 6. What basic economic mistake do tariff supporters make?
- A. They assume foreign goods are always higher quality.
 - B. They ignore the role of money and credit in economics.
 - C. They assume that all industries use equal amounts of labor.
 - D. They focus on producers helped and ignore consumers hurt.
- _____ 7. Why do tariffs slow economic progress?
- A. They prevent banks from making any loans.
 - B. They eliminate foreign investment in new companies.
 - C. They leave consumers with less money to save and invest.
 - D. They force firms to stop using machinery.
- _____ 8. In the biblical framework, government's proper role is mainly to
- A. manage trade flows and balance commerce
 - B. run necessary schools, housing, and charities
 - C. stabilize prices and guide investments
 - D. punish those who harm and steal
- _____ 9. An *exaction* is a(an) _____.
- A. unjust tax or property-taking by rulers
 - B. voluntary charitable donation
 - C. fair fee for a public service
 - D. temporary reduction in tax rates
- _____ 10. One major effect of excessive taxes is that they _____.
- A. increase private investment
 - B. reduce jobs, growth, and production
 - C. eliminate fraud in welfare systems
 - D. make government spending more precise

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