

***Economics: A Christian Worldview – Quiz 8A***

- \_\_\_\_\_ 1. When the price of labor rises, employers tend to \_\_\_\_.
- A. increase production    B. hire fewer workers/reduce hours    C. lower prices    D. eliminate profits
- \_\_\_\_\_ 2. Why should wages generally be determined through voluntary agreement?
- A. Government agencies cannot enforce any type of wage laws.  
B. Employers and workers each evaluate the value of the work being exchanged.  
C. Wages must remain identical across industries.  
D. Wage laws eliminate competition.
- \_\_\_\_\_ 3. Why would a national minimum wage affect workers differently in different regions?
- A. Labor unions dominate some regions.  
B. Businesses pay identical wages everywhere.  
C. Costs of housing and living vary widely between locations.  
D. Different states use different currencies.
- \_\_\_\_\_ 4. Why might a higher minimum wage disproportionately affect younger workers?
- A. Younger workers generally prefer part-time work to full-time work.  
B. Their skills and experience often produce less value initially.  
C. They tend to work in seasonal industries.  
D. They receive government benefits.
- \_\_\_\_\_ 5. Why does competition among businesses benefit workers?
- A. Companies must follow union contracts.  
B. Governments regulate wages to make sure businesses compete.  
C. Firms must maintain identical payrolls.  
D. Employers compete to attract capable employees.
- \_\_\_\_\_ 6. According to the Bible, the government should intervene in wage disputes when \_\_\_\_.
- A. wages are unequal or unfair  
B. workers request a higher wage  
C. an employer commits fraud or theft  
D. unions demand higher pay for their members
- \_\_\_\_\_ 7. Why are workers who use advanced equipment often paid more?
- A. They work fewer hours and therefore make more per hour.  
B. Machines often eliminate new-worker training costs.  
C. Their productivity per hour increases.  
D. None of these
- \_\_\_\_\_ 8. What is a key factor behind the historically higher wages in the United States?
- A. larger labor unions  
B. strict national wage laws  
C. greater accumulation of capital and machinery  
D. higher population growth
- \_\_\_\_\_ 9. Why can high taxes reduce wage growth over time?
- A. They increase consumer demand for products and services created.  
B. They reduce savings and investment in productive equipment.  
C. Neither of these
- \_\_\_\_\_ 10. Why do unions often do in regard to differences among workers?
- A. They prefer shorter workdays, so they treat them all the same.  
B. They represent multiple industries.  
C. They treat workers as one group regardless of productivity.  
D. They discourage training programs that might help workers.

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