

Economics: A Christian Worldview – Quiz 9A

- _____ 1. What is one major criticism of historians who praise socialism?
A. They lack data proving socialism has failed. C. They don't understand *why* it works well.
B. They may be biased in favor of it. D. All of these
- _____ 2. In "The Rich and the Poor: A Fairy Tale," what happened to John's wife's belongings after his wish?
A. They became more valuable, though poorer in quality.
B. They disappeared completely.
C. They became rough and common.
D. They doubled in number.
- _____ 3. In that same story, what happened to workers like weavers and carriage makers?
A. They lost their jobs.
B. They earned higher wages.
C. They switched industries.
D. They received government aid.
- _____ 4. What unintended consequence may result from extended unemployment benefits?
A. faster job growth
B. lower taxes
C. increased hiring
D. reduced incentive to seek work
- _____ 5. What is a key problem with letting the Federal Reserve set interest rates?
A. It increases inflation automatically.
B. It benefits borrowers only, instead of both borrowers *and* lenders.
C. It overrides market decisions made by individuals.
D. It eliminates banking competition.
- _____ 6. Why are high prices during emergencies worth defending?
A. They punish consumers who shouldn't be buying goods or services.
B. They increase taxes, but only on the rich.
C. They ensure goods go to those who value them most.
D. They reduce supply of goods and services.
- _____ 7. What is the main argument against tariffs on imports?
A. They increase exports, but only in certain industries.
B. They force consumers to pay higher prices.
C. They help foreign countries who export products.
D. All of these
- _____ 8. How did consumers react to the luxury tax on boats?
A. They bought the same number of boats, but used tricks to avoid the tax.
B. They paid higher prices willingly, since they were very rich.
C. They stopped buying boats, or bought used boats.
- _____ 9. What motivates private companies to improve roads?
A. government orders B. public votes C. legal requirements D. profit incentives
- _____ 10. What happened in the Richard Ankrom highway sign story?
A. The government installed signs quickly after Ankrom did his work.
B. Drivers ignored the sign and continued missing the exit.
C. The sign was removed immediately by government officials.
D. A private citizen solved a problem the government ignored.

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