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SKU: 9780765616685-TEST-BANK

CHAPTER 1

Prehistoric Communal Institutions in the Middle East

MULTIPLE CHOICE QUESTIONS

1. The four basic features of any society include
   a. customs, laws, norms and ideology
   b. hunting, gathering, fishing, and agriculture
   c. religion, the family, the political process, and industry
   d. technology, economic institutions, social institutions, and ideology

ANSWER: d

2. Institutions may be defined as
   a. more or less coherent systems of ideas about how society works and how we should behave within a given society
   b. processes through which a society provisions itself with the goods and services that it needs to survive and grow
   c. sets of customs, laws and norms that influence human behavior
   d. ways that human beings produce goods and services

ANSWER: c

3. Productivity is a measure of
   a. the amount of inputs available in a given society
   b. the amount of output produced by a given society
   c. the amount of output produced by each input
   d. the methods and tools used to produce goods and services

ANSWER: c

4. According to Charles Darwin, the process of natural selection operates as follows:
   a. Individuals who are the most fit will survive.
   b. Individuals who do not adapt to their environment will not survive.
   c. Individuals with the behavioral traits best suited for survival will have the highest reproduction rate.
   d. Individuals with the genetic traits best suited for survival will have the highest reproduction rate.

ANSWER: d

5. What is the basis of our knowledge of early communal societies that existed tens of thousands of years ago?
   a. Anthropologists study myths and folklore passed from generation to generation.
   b. Archaeologists examine artifacts found in early dwellings and graves.
   c. Religious leaders in prehistoric societies wrote histories in ancient languages on the walls of caves.
   d. Scholars study and translate documents found in prehistoric ruins.

ANSWER: b

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6. Which of the following are examples of economic institutions found in early communal societies?
   a. early stone tools
   b. hunting and gathering
   c. the church or similar religious institution
   d. the extended family

ANSWER: d

7. How did early societies make decisions that affected the entire community?
   a. all important decisions were made by the strongest male of the group.
   b. decisions were always made by the hereditary head of government.
   c. major decisions were made by the oldest female of the group.
   d. most decisions were made collectively.

ANSWER: d

8. Racial prejudice and discrimination was probably unknown in early communal societies. Why?
   a. Members of different races were part of a full-time religious priesthood.
   b. Members of each group were parted of the same extended family.
   c. Discrimination was prohibited by early government leaders.
   d. Members of different races were inducted into armies or navies.

ANSWER: b

9. The interaction of technology and ideology of early communal societies
   a. led to a continual search for new and better tools.
   b. meant that considerable effort was devoted to creating weapons to wage war against other communities.
   c. produced considerable instability in early societies
   d. strengthened habits and traditions and a distrust of change

ANSWER: d

10. In early communal societies, ideas of cooperation and collective action
   a. contributed to social anxiety and instability.
   b. meant that all members of prehistoric societies lived long and happy lives.
   c. were necessary for basic survival.
   d. were prohibited and punishable by death.

ANSWER: c

11. An ideology
   a. is the process through which a society provisions itself with the goods and services it needs to survive and grow. .
   b. is the way that human beings produce goods and services.
   c. is a more or less coherent system of ideas about how society works and how individuals should behave within the society.
   d. is always true.

ANSWER: c

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Communal Equality to Slavery in the Middle East

MULTIPLE CHOICE QUESTIONS

12. The dominant ideology in early communal societies viewed technology as
    a. fixed and unalterable.
    b. subject to rapid and beneficial changes.
    c. unknown, since there was no technology in early communal societies.
    d. consisting of complicated iron tools and machinery.

ANSWER: a

13. The Neolithic revolution was characterized by 3 great discoveries which were
    a. fire, hunting and gathering, and simple stone tools.
    b. better stone tools, farming and herding, and pottery.
    c. hunting and gathering, farming and herding, and the barter system.
    d. farming and herding, iron tools, and the feudal system.

ANSWER: b

14. The Neolithic Revolution began *approximately*
    a. 1 million years BCE.
    b. 6,000 years ago.
    c. 10,000 years BCE.
    d. in the 3rd century.

ANSWER: c

15. Increasing productivity in early societies allowed the production of a surplus. What is the definition of a *surplus?*
    a. A surplus is the amount of food above the level needed for survival.
    b. A surplus is the amount of food that no one wants.
    c. A surplus is the amount of food remains after paying tribute to the kings.
    d. A surplus is the amount of food that is not needed by the Army.

ANSWER: a

16. The spread of knowledge of farming by the movement of ideas from one village to another is called
    a. colonialism.
    b. the barter system.
    c. diffusion.
    d. propaganda

ANSWER: c

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17. The term, “productivity,” means
    a. the level and sophistication of tools.
    b. the amount of output produced by each worker.
    c. the total amount of output produced in a given village.
    d. the amount of food above the level needed for survival.

ANSWER: b

18. What important changes occurred along with rising productivity and increase in the size of the surplus?
    a. an increase in equality.
    b. an decrease in the size of villages and towns.
    c. an increase in the distinction between the rich and the poor.
    d. an increase in the importance of hunting and gathering.

ANSWER: c

19. The dominant ideology in ancient Greek and Roman society argued that slavery
    a. was inconsistent with biblical teachings.
    b. was cruel and unnecessary.
    c. was “natural” and the only possible system.
    d. was only a temporary evil which society would soon be rid of.

ANSWER: c

20. In Greece and Rome, the number of independent farmers tended to decline over time. Which of the following was ***not*** a contributing factor to this decline?
    a. Independent farmers were often drafted into the army for long periods of time.
    b. Independent farmers found it difficult to compete with the larger plantations that used slave labor.
    c. Independent farmers were not allowed to own land.
    d. Independent farmers were sometimes unable to pay the high taxes levied on their farms.

ANSWER: c

21. Why did workers in the cities who were not slaves remain poor?
    a. Workers who charged high prices for their goods or services were imprisoned.
    b. Workers who charged high prices for their goods were enslaved.
    c. Workers lacked sufficient expertise to make high quality goods.
    d. Workers could only charge low prices since most items were made with slave labor.

ANSWER: d.

22. Which of the following correctly describes the institutional features of ancient slave society?
    a. economic institutions: common ownership by extended family
       social institutions: group consensus.
    b. economic institutions: slaves work, masters take product
       ideology: community togetherness and equality
    c. economic institutions: slaves work, masters take product
       technology: new stone tools to iron tools, farming and herding.
    d. economic institutions: common ownership by extended family
       ideology: racism and sexism

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ANSWER: c.

23. The earliest farming techniques and the earliest farmers were
    a. men
    b. women
    c. slaves
    d. children

ANSWER: b

24. Wealth in the form of personal belonging, buildings, herds of animals or fertile land
    a. did not exist in early communal societies.
    b. existed in some form in very early communal societies.
    c. began to accumulate the transitional period.
    d. did not exist in ancient slave societies.

ANSWER: c

CHAPTER 3

Slavery to Feudalism in Western Europe

MULTIPLE CHOICE QUESTIONS

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25. The dominant economic sector in the Roman Empire was
    a. the consumer goods sector
    b. the agricultural sector
    c. government
    d. education

ANSWER: b.

26. Why was the institution of slavery a barrier to technological change in the Roman Empire
    a. There was no incentive for slave owners to introduce technological change to work processes, since the slaves would reap all of the benefits from the reduced hours and easier work.
    b. There was no incentive for slaves to adopt technological change in work processes, since the intensity of their work would not improve.
    c. Roman Law prohibited the introduction of technological change into work processes.
    d. Most technological change was too expensive for slave owners to purchase.

ANSWER: b.

27. How did the composition of the Roman army change after the introduction of slavery?
    a. The army was increasingly composed of slaves.
    b. The army was composed of prisoners captured from various Germanic tribes.
    c. The army was increasingly composed of paid mercenaries.
    d. The army was increasingly composed of volunteers recruited from the growing class of free farmers.

ANSWER: c.

28. The composition of the Roman army eventually created problems for the Roman Empire including
    a. Soldiers who were prisoners tended to escape depleting the ranks of the army.
    b. Soldiers who were slaves used their weapons on their owners.
    c. The use of mercenaries meant the army became more expensive to maintain.
    d. The difficulties of recruiting new soldiers meant the army became smaller and less efficient.

ANSWER: c.

29. What is the difference between a “serf” and a “slave?”
    a. There is no difference. The terms are synonymous.
    b. The term, “serf” is primarily used in California.
    c. A serf is bound to the land, but cannot be bought and sold as a slave.
    d. Slaves were engaged only in agriculture. Serfs worked in other parts of the economy.

ANSWER: c.

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30. Why was slavery gradually replaced by serfdom in the third and fourth centuries.
    a. The government of the Roman declared slavery illegal.
    b. Having their own plot of land gave serfs an incentive to help defend the estate in case of attack.
    c. The market for slaves collapsed, and slave owners were unable to buy more slaves.
    d. Serfs were willing to work for a minimum wage.

ANSWER: b.

31. In Western Europe, the Roman Empire and its institution of slavery disappeared in
    a. 10th century BCE
    b. the 3rd century BCE
    c. the 5th century CE
    d. the 9th century CE

ANSWER: c

32. The definition of an "empire," is
    a. an extensive area of land or countries under a single authority with no democracy.
    b. a nation in which power is held by the people or their elected representatives.
    c. a person who referees at baseball games.
    d. a system in which political power is decentralized from kings to lords of estates.

ANSWER: a

33. At the peak period of ancient Rome, 90 to 95% of the people worked
    a. in the army.
    b. in agriculture.
    c. as craftsmen.
    d. in manufacturing.

ANSWER: b

34. A social and economic system based on serfdom, where political power is decentralized from kings to lords of estates or manors is called
    a. democracy.
    b. feudalism,
    c. capitalism.
    d. mercantilism.

ANSWER: b

35. Technological change
    a. is inevitable and occurs in all societies.
    b. occurs only when the social and economic institutions and ideology enable it to occur.
    c. was very rapid throughout the Middle Ages.
    d. is generally facilitated by the institution of slavery.

ANSWER: b

CHAPTER 4

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Feudalism and Paternalism in England

MULTIPLE CHOICE

36. The economic institution of feudalism can be described as
    a. Production performed by serfs, while the feudal lord makes all economic decisions and owns the product.
    b. Production is performed by slaves, while the king makes all decisions and owns the product.
    c. Production is performed by unpaid labor, while the church makes all decisions and owns the product.
    d. Production is performed by wage labor, while the merchant capitalist makes all decisions and owns the product.

ANSWER: a

37. The role of the church in feudal society
    a. was nonexistent.
    b. was relatively minor and subordinate to the feudal lords.
    c. was significant and members of the church were also feudal lords.
    d. was characterized by a clearly defined separation of church and state.

ANSWER: c

38. Under feudal law, private property rights
    a. were clearly defined by the courts.
    b. were basically identical to present day rights in most European countries.
    c. were limited and subject to fulfillment of obligations to one's lord.
    d. were available only to males.

ANSWER: c

39. The medieval notion of the "just price" was
    a. a price that would allow the seller to accumulate a modest amount of material wealth.
    b. a price that would compensate the seller for his efforts in transporting the good, finding a buyer and allow him to maintain his customary station in life.
    c. a price that would guarantee enough profits to encourage further production.
    d. a price that represented an equality between quantity demanded and quantity supplied.

ANSWER: b

40. The Christian paternalistic ethic viewed society as
    a. composed of free and independent individuals.
    b. an alliance held together by a mutual need for survival.
    c. a family characterized by fatherly and brotherly obligations.
    d. a community based on equality and consensus.

ANSWER: c

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41. According to the Christian paternalistic ethic, the wealthy
    a. were unlikely to go to heaven.
    b. had an obligation to care for the poor.
    c. were encouraged to cultivate a love of material objects and to accumulate more wealth.
    d. were admired for their luxurious and gracious lifestyle.
ANSWER: b

42. During the feudal period, the term, "usury," referred to
    a. the lending of money at interest.
    b. the lending of money at high rates of interest above 25%.
    c. any lending of money.
    d. the failure to repay money.
ANSWER: a

43. In general, the term, "conservative," means
    a. someone who always votes Republican.
    b. someone who is traditional and opposes rapid change.
    c. someone who is concerned about natural resources and the environment.
    d. someone who aims to overturn tradition in order to promote more rapid progress of society.
ANSWER: b

44. Under feudalism, women
    a. were considered equal to men.
    b. were subordinate to the feudal lord but equal to male serfs.
    c. were subordinate to the feudal lord and also to male serfs.
    d. were often independent and free to live their own lives.
ANSWER: c

45. The social institutions of feudalism included
    a. all legal, economic, and military power is centralized and held by the king.
    b. all legal, economic, and military power is decentralized and held by the lord of the manor.
    c. all legal, economic, and military power is held by the Roman Empire.
    d. all legal, economic, and military power is held by provincial and municipal governments.
ANSWER: b

CHAPTER 5

Feudalism to Capitalism in England

MULTIPLE CHOICE

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46. During the early middle ages, each feudal manor
    a. produced a large surplus for sale to nearby towns.
    b. traded with other feudal manors.
    c. was largely self-sufficient.
    d. produced a variety of commodities for sale in local or long distance markets.
ANSWER: c

47. Capitalism is defined as
    a. an economic system based on production for markets.
    b. an economic system based on environmental sustainability.
    c. an economic system based on communal ownership of the means of production.
    d. an economic system based on serfdom.
ANSWER: a

48. Subsistence farming is defined as
    a. production of a crop for sale in a market.
    b. production of crops that can be used for food.
    c. producing crops for one's own use
    d. producing a portion of crops for one's own use and a portion for the landowner.
ANSWER: c

49. The book states that the medieval guild was an integral part of feudalism. What was a medieval guild?
    a. a group of employees join an organization which then bargains on their behalf with management over wages and working conditions.
    b. A group of skilled craftsmen join an organization which establishes standards in their craft and sets prices.
    c. a group of feudal lords join together to wage wars on behalf of the monarchy.
    d. a group of merchants join together to generally promote business and commercial activities in a city or town.
ANSWER: b

50. The dominant ideology of feudalism was
    a. community togetherness and equality
    b. racism, sexism, and classism.
    c. Christian paternalism.
    d. Market distributes income justly.
ANSWER: c

51. The dominant ideology of capitalism is
    a. community togetherness and equality
    b. racism, sexism, and classism.
    c. Christian paternalism.
    d. Market distributes income justly.
ANSWER: d

52. The key characteristic of social institutions in a communal society is
    a. consensus of group
    b. rule by masters in all social institutions.
    c. rule by lord in all social institutions.
    d. democratic forms, but wealth dominates all institutions.
ANSWER: a

53. The key characteristic of social institutions under feudalism is
    a. consensus of group
    b. rule by masters in all social institutions.
    c. rule by lord in all social institutions.
    d. democratic forms, but wealth dominates all institutions.
ANSWER: c

54. The key characteristic of social institutions under capitalism is
    a. consensus of group
    b. rule by masters in all social institutions.
    c. rule by lord in all social institutions.
    d. democratic forms, but wealth dominates all institutions.
ANSWER: d

55. What is the technology that characterizes early communal societies?
    a. Early stone tools; hunting and gathering.
    b. stone to iron tools; farming and herding.
    c. iron tools; very slow technological change.
    d. industrial revolution.
ANSWER: a

56. What is the technology that characterizes feudalism?
    a. Early stone tools; hunting and gathering.
    b. stone to iron tools; farming and herding.
    c. iron tools; very slow technological change.
    d. industrial revolution.
ANSWER: c

57. What is the technology that characterizes capitalism?
    a. Early stone tools; hunting and gathering.
    b. stone to iron tools; farming and herding.
    c. iron tools; very slow technological change.
    d. industrial revolution.
ANSWER: d

58. The industrial revolution in England occurred
    a. from the late 15th century to the mid 17th century.
    b. from the late 17th century to the mid 18th century.
    c. from the late 18th century to the mid 19th century.
    d. from the late 19th century to the mid 20th century.
ANSWER: c

59. Profit is defined as
    a. the amount of money received from selling a good in the market.
    b. the amount of money received from selling minus the cost of producing the good.
    c. the cost of the next best alternative.
    d. the amount of money received from working.
ANSWER: b

60. The transition from feudalism to capitalism in England was fueled by class conflict between
    a. masters and slaves.
    b. feudal lords against the merchants and crafts people
    c. merchants against the serfs and feudal lords.
    d. feudal lords against the merchants, crafts people and serfs.
ANSWER: d

CHAPTER 6

61. Bullionist restrictions in Spain (p. 58)
    a. imposed severe penalties—including death—for exporting gold and silver.
    b. were based upon the belief that a country should have the greatest possible amount of precious metals.
    c. were generally not very successful.
    d. were copied by almost all of the countries of Europe.
    e. all of the above.
ANSWER: E

62. Two antagonistic tendencies that are present in mercantilist thought are (p. 60)
    a. paternalism and feudalism.
    b. rationalism and individualism.
    c. capitalism and socialism.
    d. paternalism and individualism.
    e. feudalism and socialism.
ANSWER: D

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63. During the mercantilist period the state (p. 61)
    a. replaced the church as the guardian of social welfare.
    b. was increasingly dominated by the church.
    c. sought to recreate a neo-feudalism.
    d. usurped the power to tax the people.
    e. none of the above.
ANSWER: A

64. The issue of unemployment p. 61
    a. was ignored by the mercantilists.
    b. divided the mercantilists into two camps.
    c. was the unifying theme of most particular mercantilist policies.
    d. was considered less important than the issue of inflation by most mercantilists.
    e. was solved by the state becoming the employer of last resort.
ANSWER: C

65. The Statute of Artificers (1563) p. 62
    a. illustrates the paternalistic nature of sixteenth century mercantilism.
    b. established minimum wage rates.
    c. eliminated the institution of apprenticeships.
    d. granted monopolies to certain merchants involved in foreign trade.
    e. all of the above.
ANSWER: A

66. The English poor laws p. 62
    a. actually created most of the poverty that existed in England.
    b. distinguished between “deserving” and “undeserving” poor.
    c. outlawed begging.
    d. helped to eliminate most poverty in England.
    e. none of the above.
ANSWER: B

67. The philosophy of individualism believed that men p. 63
    a. should all have equal wealth and income.
    b. were all brothers and that each many was his brother’s keeper.
    c. were motivated only by self-seeking, egoistic concerns.
    d. were innately superior to women.
    e. needed to make their peace with God as individuals.
ANSWER: C

68. In the German peasant revolt, Martin Luther p. 64
    a. condemned both sides for resorting to violence.
    b. took the side of the nobility.
    c. book the side of the peasants.
    d. blamed the Catholic church for the hostilities.
    e. was instrumental in restoring peace.
ANSWER: B

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69. The Protestant stress on asceticism and frugality pp. 64–65
    a. alienated most capitalists.
    b. helped to rationalize the drab, bleak existence of most poverty-stricken workers.
    c. helped to give religious sanction to profit-making and capital accumulation.
    d. produced a narrow-mindedness from which we have yet to escape.
    e. none of the above.

ANSWER:

70. All mercantilists, early and late, shared the conviction that p. 64
    a. the amassing of a fortune by business dealings is sinful.
    b. people are basically greedy.
    c. selfish behavior is sinful.
    d. all people should be Protestants.
    e. none of the above.

ANSWER: B

71. During the mercantilist period in England the individualistic doctrines of the Protestant Church appealed most strongly to pp. 65–66
    a. the aristocracy and gentry.
    b. middle class artisans and merchants.
    c. capitalists and workers.
    d. sodomites and blasphemers.
    e. all of the above.

ANSWER: B

72. The Protestant Ethic stressed the importance of pp. 64–65
    a. hard work and personal peace with God.
    b. prudence and thrift.
    c. asceticism and abstemious frugality.
    d. none of the above.
    e. all of the above.

ANSWER: E

73. Sir Dudley North believed that capitalists p. 66
    a. who pretend to use the government for the public good are really only pursuing their own profit—often to society's disadvantage.
    b. should control the government because their business experience would make the government more efficient.
    c. have proven their superiority over workers and, hence, should be entrusted to control the government.
    d. all of the above.
    e. none of the above.

ANSWER: A

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74. Bernard de Mandeville, in *The Fable of the Bees,* argued that p. 66
    a. capitalists are drones.
    b. selfishness is really a social virtue.
    c. cooperation, not competition, is the most effective way of getting things done.
    d. frugality and hard work are the only roads to wealth.
    e. none of the above.

ANSWER: B

CHAPTER 7

Pre-Capitalism to Industrial Capitalism in the United States 1776–1865

MULTIPLE CHOICE

75. During the American colonial period, most exports to England were
    a. textiles
    b. agricultural products
    c. guns and other weaponry
    d. tea

ANSWER: b

76. What percent of the labor force worked in agriculture in American colonies?
    a. 2%
    b. 20%
    c. 50%
    d. 80%

ANSWER: d

77. What percent of the labor force worked in agriculture in the U.S. in 2000?
    a. 2%
    b. 20%
    c. 50%
    d. 80%

ANSWER: d

78. When the U.S. was still a colony, trade between the United States and England consisted of
    a. the American colonies imported raw materials and exported manufactured products to England.
    b. the American colonies imported manufactured goods from England and exported raw materials.
    c. the American colonies were self sufficient and did not engage in trade with England.
    d. both England and the American colonies exported manufactured products

ANSWER: b.

79. What is the difference between a *colony* and a *neo-colony?*
    a. A neo-colony has formal independence and no occupying troops but is still economically

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dependent on the former colonial power.
b. A colony is one that existed during the 18th century. A neo-colony is a 20th century colony.
c. A country becomes a neo-colony, when it is invaded militarily again after independence.
d. A neo-colony is separated from the surrounding area similar to a gated community.

ANSWER: a.

80. What is the definition of a corporation?
a. A corporation is defined as a business that is owned by a single person.
b. A corporation is defined as a business that operates in more than one country.
c. A corporation is defined as a business owned by people who buy shares of stock.
d. A corporation is defined as a person that employs over 100 people.

ANSWER: c.

81. A corporation is said to have limited liability. What does limited liability mean?
a. Investors are liable for the debts of the business only up to the total value of their personal assets.
b. Investors are liable for the debts of the business only up to the value of their investment.
c. A corporation is not liable for its actions and cannot be sued.
d. Investors are protected against the loss of their investment in the business.

ANSWER: b

82. Which of the following would be considered an asset of the XYZ corporation.
a. the total value of outstanding XYZ corporate stock.
b. the total value of outstanding XYZ corporate bonds.
c. the total sales revenue earned by XYZ corporation in one year.
d. the value of the XYZ corporations buildings, machinery, and furnishings.

ANSWER: d

APPENDIX 7.1

Slavery in the United States, 1776–1865

1. Which of the following is one of the important differences in northern farms and farms in the southern United States before the Civil War?
a. Farms in the north were, on average, much larger in size than those in the south.
b. Farms in the north were, on average, much more valuable than those in the south.
c. Farms in the north relied more heavily on slave labor than those in the south.
d. Farms in the north tended to have less productive land than the large plantations in the south.

ANSWER: d

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2. A direct cause of the Civil War was the attempt to expand slavery into the western United States. Why did slave owners want to expand into the West?
   a. The practice of planting only one crop tended to deplete the soil in the South.
   b. The governments of some southern states began to outlaw slavery.
   c. There were more slaves in the West than in the South.
   d. Northerners were moving into the South, so the slaveowners had to move West.

ANSWER: a

3. What was the role of women in the Southern slaveowning culture?
   a. women had equal rights and privileges as men.
   b. women were allowed to own property but not slaves.
   c. women had no rights or freedoms outside of their own households.
   d. women tended to work outside the home more than Northern women.

ANSWER: c

4. What was the attitude of Northern industrialists toward slavery?
   a. Northern industrialists strongly supported slavery and used slaves in many factories.
   b. Northern industrialists opposed slavery for the North, but were in favor of allowing its expansion into the West.
   c. Northern industrialists strongly opposed slavery and also opposed its expansion into the West.
   d. Northern industrialists opposed the formation of the anti-slavery Republican Party and remained staunch Democrats until the 1990s.

ANSWER: c

CHAPTER 8

Classical Liberalism

Defense of Industrial Capitalism

MULTIPLE CHOICE

5. The classical liberal psychological creed assumed human beings were
   a. egoistic
   b. altruistic
   c. misanthropic
   d. philanthropic

ANSWER: a

6. Classical liberalism was highly influenced by Jeremy Bentham's psychological hedonism which is the view that
   a. all human actions are motivated by a basic moral code.
   b. all human actions are motivated by a desire to achieve pleasure and avoid pain.
   c. all human actions are motivated by paternalism.
   d. all human actions are motivated by instinct.

ANSWER: b

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7. Classical liberalism is based on atomism which is the view that
   a. society is like a family.
   b. society is more important than any individual.
   c. society is merely an aggregation of individuals.
   d. society is inherently oppressive.

ANSWER: c

8. According to Thomas Hobbes, the outcome of the innate egoism of human beings will result in
   a. a harmonious natural order.
   b. a natural state of war.
   c. long-term economic growth.
   d. little or no need for a strong government.

ANSWER: b

9. According to Adam Smith, the outcome of the innate egoism of human beings will result in
   a. a harmonious natural order.
   b. a natural state of war.
   c. a dog-eat-dog world.
   d. a need for a strong, activist government.

ANSWER: a

10. The most important work of classical economic liberalism is
   a. The *Wealth of Nations* by Adam Smith published in 1776.
   b. The General Theory of Employment, Interest and Money by John M. Keynes published in 1937.
   c. The *Communist Manifesto* by Karl Marx published in 1848
   d. *Capitalism and Freedom* by Milton Friedman published in 1982.

ANSWER: a

11. According to Adam Smith, the welfare of society will be maximized by
   a. a strong, activist government.
   b. a free and unrestrained market.
   c. a strong and effective police force.
   d. a good educational system.

ANSWER: b

12. Economic progress depends on the capacity of an economy to produce, and productive capacity depends on
   a. an accumulation of capital and division of labor.
   b. an increasing population and the acquisition of skill.
   c. universal education and health care.
   d. natural resources and an effective government.

ANSWER: a

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13. Thomas Robert Malthus believed that
    a. birth control and abstention were immoral.
    b. population, if unchecked, tended to outstrip the available food supply.
    c. England was too small to support its existing population.
    d. technological progress would increase the available food supply.

ANSWER: b

14. Thomas Malthus believed that there were preventives checks and positive checks on population growth. What are these preventive and positive checks?
    a. preventive checks include restraint and birth control; positive checks include famine and war.
    b. positive checks include restraint and birth control; preventive checks include famine and war.
    c. positive checks include an expanding food supply; preventive checks include poverty.
    d. positive checks include bribes and other monetary rewards; preventive checks include taxes and fines.

ANSWER: a

11. The philosophy of leaving the allowing the market to operate without the intervention of government is called
    e. laissez-faire
    f. c'est la vie.
    g. à chacun son goût.
    h. comme ci, comme ça

ANSWER: a

CHAPTER 9

Socialist Protest Against Industrial Capitalism

MULTIPLE CHOICE

15. Gracchus Babeuf is important in the socialist tradition because
    a. he is the only French socialist.
    b. he was the first to advance the idea if an egalitarian socialist state is to be achieved, then the existing government must be toppled by force.
    c. he was the first to advance the idea if an egalitarian socialist state is to be achieved, then it must come about peacefully through the democratic process.
    d. he was the first socialist to be elected to the French parliament.

ANSWER: b

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16. In his factory at New Lanark, Robert Owen
    a. provided decent working conditions, livable wages, and education for working-class children.
    b. was known for lax discipline, minimal oversight of workers, and low wages.
    c. established a commune and recognized the first workers' union in an English textile mill.
    d. employed only women and children.

ANSWER: a

17. William Godwin
    a. believed that corrupt and unjust social institutions were responsible for most of the moral defects of individuals.
    b. defended private property because of the necessity for providing incentives to produce.
    c. was the first socialist to advocate overthrow of the government by force.
    d. believed government could act effectively to redress the evils of capitalism

ANSWER: a

18. Henri de Saint-Simon
    a. was a member of the aristocracy and defender of the idle rich.
    b. believed the government was incapable of defending or protecting the welfare of the masses.
    c. believed in the necessity of active government intervention in production, distribution and commerce in the interest of promoting the welfare of the masses.
    d. popularized the idea of cooperatives (or phalanxes, as he called them).

ANSWER:

19. Charles Fourier
    a. was a member of the aristocracy and defender of the idle rich.
    b. believed the government was incapable of defending or protecting the welfare of the masses.
    c. believed in the necessity of active government intervention in production, distribution and commerce in the interest of promoting the welfare of the masses.
    d. popularized the idea of cooperatives (or phalanxes, as he called them).

ANSWER: d

20. Pierre Joseph Proudhon (1809–1865) is famous for the slogan
    a. "Property is theft."
    b. "Life in a state of nature is solitary, nasty, brutish and short."
    c. "There's no such thing as a free lunch."
    d. "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest."

ANSWER: a

21. The origins of socialism can be traced to a protest against
    a. the paternalism of the system of feudalism in England.
    b. the inequality of capitalism and the social evils associated with this inequality.
    c. the political repression of communism.
    d. high unemployment and poverty of the Great Depression

ANSWER: b

22. During the early 19th century, there were two groups or traditions in socialism. These two traditions were
    a. individualistic socialism and cooperative socialism.
    b. liberal socialism and libertarian socialism.
    c. market socialism and government socialism.
    d. egalitarian socialism and paternalistic socialism.

ANSWER: a

23. In the opinion of all socialists, inequality results primarily from
    a. the institution of marriage.
    b. the institution of the market.
    c. the institution of private property.
    d. the institution of liberalism

ANSWER: c

24. According to Thomas Hodgskin, when a fisherman catches a fish with a net
    a. both the fisherman and the net are productive.
    b. the net is productive but the fisherman is not.
    c. the fisherman is productive and the workers who made the net are productive.
    d. the entrepreneur who hired the worker and bought the net is productive.

ANSWER: c

CHAPTER 10

25. A society's economic base or mode of production consists of p.105
    a. forces of production.
    b. superstructure.
    c. social relationship between humans.
    d. a and b
    e. a and c

ANSWER: E

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26. The relations of production in Marx's thought were
    a. the social relations between humans.
    b. in particular the relationship of each class to the means of production
    c. inclusive of the ownership of productive facilities and division of the fruits of productive activity.
    d. the class structure of society.
    e. all of the above.

ANSWER: E

27. Under capitalism labor is socialized p. 107
    a. in the market.
    b. in an indirectly social manner.
    c. in a manner which is not immediately social through the interdependence of productive individuals.
    d. a and b
    e. all of the above.

ANSWER: E

28. In Marxian economic theory, what *three* facts about production pervade *every* society? p. 105
    a. A natural environment which could be transformed is necessary.
    b. Machines and tools contribute to the transformation of nature and therefore receive profits.
    c. Nature contributes nothing to its own transformation; labor is the source of production.
    d. Production is a social activity dependent upon cooperation and coordination.
    e. Market prices embody the labor of particular workers.

ANSWER: A, C, D

29. Which classes characterized the existence of capitalism as it existed in every historical setting and every cultural or national boundary? p. 106
    a. peasants, working class, poverty stricken and capitalists.
    b. capitalists and working class.
    c. peasants, working class capitalists, and nobility.
    d. capitalists, working class, small shopkeepers and professionals, and poverty stricken.
    e. small shopkeepers and professionals, working class, peasants, and capitalists.

ANSWER: D

30. What is the defining characteristic of the working class in capitalism? p. 107
    a. They own and control the means of production.
    b. They sell their capacity to produce once and for all.
    c. They direct the labor process in which they function as laborers.
    d. They own the commodities which they produce.
    e. none of the above.

ANSWER: E

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31. Which two of the following statements describe attributes of the capitalist class? 0 107–108
    a. It is comprised of capitalists who own and control money, land or machines, and tools.
    b. They only own their labor power which is sold on the market as a commodity.
    c. They have to engage in socially useful labor.
    d. They live off the surplus created by the productive activity of the working class.
    e. all of the above.

ANSWER: D

32. Which class is responsible for weakening the wage bargaining powers of employed workers and providing a reservoir of workers during economic expansions? p. 108
    a. the peasants.
    b. the small shopkeepers and professionals.
    c. the working class.
    d. the poverty stricken.
    e. the capitalists.

ANSWER: D

33. Marx interpreted the role of the capitalist within the production process p. 107
    a. as productive and receiving returns commensurate with his productivity.
    b. as the glue which held the entire interdependent production process together.
    c. as unproductive but nonetheless necessary.
    d. as a wedge between the interdependent workers and as extractors of retribution for allowing the production process to continue smoothly.
    e. as the owner of a factor of production that existed in all economic states.

ANSWER: D

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