Principles and Precepts of Economics



Chapter 2 Activities

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Economics

Chapter 2, Section 1



Principles and Precepts of Economics

Topic 1: *Fleeing Tyranny in England*

Fill in the blank, mark true or false, or circle the correct answer.

1. The American economic experiment is best understood by studying its historical ***context***, along with various _____ and _____.
2. The desire to learn truth during the Renaissance led to a hunger and thirst for access to the _____.
3. Who translated the Bible into the languages of the common people? _____

   (a) John Wyclif (b) Martin Luther (c) William Tyndale (d) all of these
4. At that time in history, the Catholic Church allowed only their clergy to read and interpret the Bible; common people who challenged this policy might be imprisoned or put to death. _____

   (a) True (b) False
5. As people read the Bible, the _____ on religion that had been held by the _____ Church for centuries was challenged.
6. ***Biblicists*** base their faith on the _____ alone, apart from church doctrine.
7. The Renaissance produced the Protestant Reformation. _____

   (a) True (b) False
8. Protestants were so-called because they _____ the doctrines and authority of the _____ Church.
9. The Protestant Reformation also threatened the Catholic Church's hold on their _____ and _____ power in Europe.

Indicate which of the two religious groups subscribed to the following doctrines (A = Ana-Baptist, C = Catholic), for #10-16.

_____ 10. salvation by faith and works

_____ 11. salvation by faith alone

_____ 12. baptized infants

_____ 13. baptism by complete immersion in water

_____ 14. Transubstantiation

_____ 15. Bible includes the ***Apocryphal*** books

_____ 16. church and state should be separate

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Fill in the blank, mark true or false, or circle the correct answer.

17. When people started reading the Bible, they began to develop ***convictions*** that differed on doctrinal issues from the teachings of the Catholic Church. _____

    (a) True (b) False

18. Who is credited with starting the Protestant Reformation? _____

    (a) John Calvin (b) Ulrich Zwingli

    (c) Ana-Baptists (d) Martin Luther

19. Like the Ana-Baptists, _____ came to believe that _____ was by faith in Christ alone, without any ***admixture*** of works.

20. October 31, 1517 is considered the official start of the _____, when _____ nailed a list of 95 theses to the church door in Wittenberg, Germany.

21. Who were two other reformers who broke away from the Catholic Church? _____

    _____

22. John Calvin's famous and influential work, *Institutes of the Christian Religion*, had a profound impact on early America. _____

    (a) True (b) False

23. Ironically, while Luther, Calvin, and Zwingli promoted religious _____ to oppose Catholic doctrine, all three persecuted _____ for not accepting Reformation doctrinal views on various issues.

24. Protestant Reformers believed, to one extent or other, that the church and political system should be separate. _____

    (a) True (b) False

25. Which group's views on separation of church and state played a major role in American economics? _____

    (a) Lutherans (b) Presbyterians (c) Catholics (d) Baptists

26. The Protestant Reformation in England began with King Henry VIII over _____ issues.

    (a) religious/political (b) marital /religious (c) political/economic

27. Regarding the Church of England: _____.

    (a) the King was the head of the Church (b) it was largely Catholic in its doctrine

    (c) ***sects*** arose within the church (d) all of these

28. The _____ believed the Church of England was doctrinally corrupt, but could be changed, or _____ from within.

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29. The _____ believed the Church of England was too corrupt to be saved and wanted to _____ from it altogether.

30. Puritans and Separatists both suffered persecution because their religious beliefs differed from the official doctrines of the Church of England. _____

(a) True (b) False

31. The admixture of church and state in England at this time actually resulted in more liberty for the Dissenters. _____

(a) True (b) False

32. In terms of the economy, the English government continued the practice of _____.

(a) Mercantilism/Collectivism (b) Capitalism

(c) Feudalism/Manorialism (d) none of these

33. Write the **Life Principle:** _____

_____

_____

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Principles and Precepts of Economics

Topic 2:
An Economy Based on Biblical Principles

Fill in the blank, mark true or false, or circle the correct answer.

1. The motivating factors for the English settlement of North America were _____ and _____ freedom.

2. The first English colonies in America were business ventures. _____

   (a) True (b) False

3. ***Joint-stock companies*** were used to fund: _____

   (a) voyages and settlements (b) churches

   (c) stock market (d) none of these

4. Investments were made, based on the expectation that colonies would become a rich source of _____ resources that could be sold to the English government, and to _____.

5. The earliest English settlement in America disappeared without a trace. _____

   (a) True (b) False

6. In 1587, Sir _____ established a colony near present-day North Carolina on _____ Island.

7. The Spanish ***blockade*** against English shipping _____.

   (a) prevented the resupply of Roanoke (b) hindered English shipping

   (c) was unsuccessful (d) both a and b

8. Roanoke investors received a good return on their investments. _____

   (a) True (b) False

9. When Sir Walter Raleigh was finally able to return to Roanoke, he discovered that the colony had: _____.

   (a) barely survived (b) prospered (c) disappeared

10. What is the Roanoke colony referred to as today? _____

    _____

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11. The second English colony in North America was named in honor of: _____.

    (a) Queen Elizabeth (b) Sir Walter Raleigh

    (c) King Henry VIII (d) King James I

12. Jamestown was settled in the modern-day state of _____, in the year _____.

13. While the primary purpose of the Jamestown settlement was an _____ one, colonists still expressed their desire to share their _____ faith with the Indians they encountered.

14. The settlers at Jamestown understood and lived by ***Protestant work ethic*** economic principles from the moment they arrived in the New World. _____

    (a) True (b) False

15. Many of the 144 early settlers at Jamestown spent much of their time digging for _____, rather than growing _____ and building houses.

16. What could be said regarding the settlers at Jamestown? _____

    (a) poorly prepared for harsh weather (b) lacked knowledge to survive

    (c) selected a poor location near swamps (d) all of these

17. Of the original 144 people who settled at Jamestown, how many were left after the first year?

    (a) 38 (b) 48 (c) 75 (d) none of them

18. Finally, Captain _____ issued an ***ultimatum*** that if any man refused to _____, he would not be allowed to _____.

19. The original intent of the Jamestown colony was to make money, therefore colonists eventually started to grow _____ as a cash crop.

    (a) corn (b) cotton (c) tobacco

Match the terms with the correct definition or answer for #20-24:

_____ 20. ***apprentice*** (a) free land

_____ 21. incentive (b) someone who learns from a skilled craftsman

_____ 22. ***indentured*** (c) length of time for indentured work

_____ 23. 4 to 7 years (d) bound by contract to the service of another

_____ 24. common colonial trade (e) blacksmith

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #25-28.

_____ 25. start a business

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_____ 26. learn a worthwhile trade

_____ 27. go to America as an ***indentured*** servant

_____ 28. become a prosperous businessman

29. The first slaves to arrive on America's east coast were brought on a _____ ship in the year _____.

30. The _____ slave trade had started when _____ invaders captured Africans in the 7th Century and sold them into slavery.

31. Africans often captured and sold other Africans as slaves. _____

(a) True (b) False

32. Pilgrims were Separatists who had left the Church of England, feeling it had strayed too far from biblical doctrines. _____

(a) True (b) False

33. The Pilgrims left England, settled in Holland, and eventually went to America in order to _____.

(a) obtain religious freedom (b) reform the Church of England

(c) spread Dutch culture (d) all of these

34. Pilgrims left for America in _____, departing on the ship ***christened*** _____.

35. What colony did the Pilgrims intend to reach, and where did they actually land? _____

(a) Massachusetts/Virginia (b) Virginia/Massachusetts

(c) Jamestown/Virginia (d) none of these

36. What document, created by Pilgrims, established the first self-governing political entity in America? _____

37. According to the Mayflower Compact, the reasons given for planting the colony were to:

(a) glorify God (b) advance the Christian faith (e) only a and b

(c) honor the king (d) all of these

38. Individual rights, personal responsibility, and self-governance eventually produced economic _____.

(a) prosperity (b) hardship (c) poverty

39. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 3:
A Bad Experiment

Fill in the blank, mark true or false, or circle the correct answer.

1. Hardships Pilgrims faced included: _____.

   (a) a perilous voyage (b) insufficient food supply (c) hostile Indians

   (d) all of these (e) only a and b

2. The English government often funded early voyages to establish colonies. _____

   (a) True (b) False

3. While motivation of settlers varied from a desire for religious liberty and ***evangelism***, to a desire to become better off _____, virtually all colonies were intended to be _____.

4. Two conditions in England that motivated some people to risk the dangerous sea voyage, and hardships in Colonial America were land _____ and depletion of _____.

5. English businessmen knew that America was a land of vast proportions, unlimited natural _____, and incredible _____ for anyone who embraced the Judeo-Christian work ethic.

Identify the following economic principles by writing "J" for Judeo-Christian or "M" for Modern, for #6-10:

_____ 6. The individual is responsible for providing his/her own needs.

_____ 7. People are entitled to fruits of other men's labors.

_____ 8. Property belongs to the state, or collective.

_____ 9. If enough people demand something, it will be provided at the expense of other individuals.

_____ 10. People should work, invest, and save for their own futures.

11. Early American economic principles emphasized rights and responsibilities of _____, while most modern economic systems restrict individual rights and emphasize authority of the collective (usually the _____) over individuals.

12. Pilgrims embraced free market principles immediately upon arriving in the New World. _____

   (a) True (b) False

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13. On the first Thanksgiving in 1621, Pilgrims expressed thankfulness to _____.

(a) the Indians (b) God (c) Governor Bradford

(d) King James (e) all of these (f) only a and b

14. The plan at the Plymouth Colony was that, for the first seven years, all land would be held by individual families, and everyone would be fed and clothed from their own supplies. _____

(a) True (b) False

15. What do people share in a communal living arrangement? _____

(a) land (b) domestic chores (c) food (d) all of these

16. According to Colonial historian William Bradford, the collectivist/communal experiment at Plymouth Colony was a huge success. _____

(a) True (b) False

Match the terms with the correct definitions for #17-20:

_____ 17. ***retard*** (a) to complain

_____ 18. ***repine*** (b) hard-working, productive

_____ 19. ***victuals*** (c) to slow down

_____ 20. industrious (d) food

21. Which was **NOT** a factor regarding the communal arrangement at Plymouth Colony? _____

(a) confusion (b) discontent (c) resentment

(d) increased productivity (e) decreased productivity

22. What happened after Governor Bradford instituted free enterprise at Plymouth Colony? _____

(a) people were more industrious (b) women worked willingly in the fields

(c) children were more willing to help (d) all of these (e) only a and b

23. As Governor Bradford revealed, once _____ ownership of property was established, colonists prospered.

24. When the profit motive is removed, people tend to become ***shiftless*** and lazy. _____

(a) True (b) False

25. Governor Bradford concluded that men who recommend communal living seem to think they know better than God what works best for mankind. _____

(a) True (b) False

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26. Write the **Life Principle**: _____

_____

_____

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Topic 4:
Economics in the American Colonies

Fill in the blank, mark true or false, or circle the correct answer.

1. John Winthrop was a devout _____, who established the _____ Colony in 1630.

2. Bradford and Winthrop both governed their respective colonies in accordance with a biblical world-view. _____

   (a) True (b) False

3. The Judeo-Christian principles of colonists were ***manifested*** in the colonies' _____ and _____.

4. In ostracizing religious dissenters, both _____ and _____ actually violated their own principles regarding freedom of _____.

5. _____, _____, and _____ suffered persecution and hardship as pioneers of religious liberty in the early colonies.

6. In spite of religious intolerance, colonists held solidly to Judeo-Christian perspectives regarding economics, once collectivism had been abandoned. _____

   (a) True (b) False

7. What two methods of conducting business helped early, local economies to prosper? _____

   (a) barter and paper money (b) ***specie*** and paper money (c) barter and specie

8. A large market in trade was established with: _____.

   (a) France (b) England (c) Spain (d) all of these

9. Many early colonies originally founded as Joint-Stock Companies broke away from the stock companies and became _____ colonies.

   (a) independent (b) proprietary (c) ***Crown*** (d) self-governing

10. Why did the English King begin to establish proprietary colonies? _____

    (a) Joint Stock companies were inefficient (b) to give colonists more freedom

    (c) to allow for freer trade with other countries (d) to maintain power over the colonies

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11. Which was **NOT** needed in order to carve out a living from the land, start farms, and start businesses? _____

(a) rugged individualism (b) love of liberty (c) ingenuity

(d) determination (e) intolerance (f) self-governance

12. How did the vast quantity of land available for settlement contribute to the self-reliance and individualism of the colonists? _____

(a) people lived far apart (b) people could live in large communes

(c) farmers could live in town (d) none of these

13. Why did European governments prefer to have most people living in towns and villages? _____

(a) economic advantage (b) protection (c) law enforcement

(d) religious control (e) only a and b (f) only c and d

14. In Colonial Massachusetts, the European model of encouraging settlement in towns was followed, while at the same time colonists established large, remote farms – an American innovation. These two seemingly opposite policies occurring at the same time is an example of: _____

(a) poor planning (b) a ***dichotomy*** (c) ***allocation*** of land

15. Colonial economies prospered, with _____ and _____ dictating which products and services would be offered.

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #16-20.

_____ 16. Smith's cabinets prove better than Jones, so more people buy Smith's cabinets

_____ 17. Cabinet makers Smith & Jones both start businesses at the same time

_____ 18. Jones buys far fewer wood supplies since his products are not selling very well

_____ 19. Smith and Jones order wood from the lumber yard to create cabinets

_____ 20. Natural resources are put to their best use due to Smith's skill and free enterprise

21. Ironically, compared to the Englishman in America, the Englishman in England was much freer to pursue his dreams. _____

(a) True (b) False

22. The object of mercantilism was enrichment of _____ and country, not the well-being of _____ citizens.

23. Philosophically, mercantilism is collectivist in nature, much like: _____.

(a) Marxism (b) Socialism (c) Communism (d) all of these

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24. Write the **Life Principle**: _____

_____

_____

_____

_____

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Principles and Precepts of Economics

Topic 5:
Tyranny of the Crown

Fill in the blank, mark true or false, or circle the correct answer.

1. In many ways, the English government of the 17th and 18th Centuries viewed their colonies, as children, in need of firm control. _____ (a) True (b) False

2. The function of colonies was to: _____

   (a) provide natural resources for parent country (b) become a new nation

   (c) serve as a market of English goods (d) both a and c

3. While European wars kept the English government distracted from time to time, the Crown and ***Parliament*** attempted to grant more economic liberties through a variety of laws. _____

   (a) True (b) False

4. Which was **NOT** a factor in England's minimal interference in the American colonies for many years? _____

   (a) England had sufficient natural resources (b) transportation was slow

   (c) distance between England & colonies was great (d) involvement in European wars

5. The self-reliant colonists saw no real need for specialization. _____

   (a) True (b) False

6. Specialization resulted in _____ quality products.

   (a) better (b) poorer (c) similar

7. In most instances in the American Colonies, scarcity and poverty were offset by hard work and ***thrift***. _____ (a) True (b) False

Making Comparisons: Label each description based on the applicable time period. Write "C" for Colonial America, and "M" for modern America, for #8-11.

_____ 8. the biblical principle "if a man will not work, he shall not eat" keeps all but truly feeble people from seeking help

_____ 9. millions of perfectly capable citizens exist on welfare in America

_____ 10. where widows, orphans, or physically disabled people truly need aid, townspeople are quick to lend a neighborly hand

_____ 11. people are never ***coerced*** by government officials to give personal resources to men who refuse to work

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12. The English government discouraged manufacturing in the colonies due to _____.

(a) free enterprise (b) mercantilism

(c) industrialization (d) none of these

13. What was one exception to the policy of discouraging manufacturing in the American Colonies?

_____

(a) iron products (b) ship building

(c) tea (d) both a and c

14. Since colonists were already self-sufficient and had thriving businesses and inter-colony trade, they largely ignored the English government's demands to stop manufacture and trade. _____

(a) True (b) False

15. To exert more influence and control in American colonies, the Crown established the system of _____ colonies whereby the King personally appointed _____ to exercise authority in these colonies.

16. The first example of the English government attempting to control trade was with the: _____

(a) Woolens Act (b) Navigation Acts

(c) Hat Act (d) Molasses Act

Match the name of the Act with its description for #17-22.

_____ 17. Woolens Act (a) hats made in a colony could not be exported

_____ 18. Hat Act (b) taxed more foreign goods such as sugar and cloth

_____ 19. Molasses Act (c) only export wool and woolen goods to England

_____ 20. Iron Act (d) documents had to exhibit a tax stamp

_____ 21. Sugar Act (e) high duties placed on molasses, sugar, and rum

_____ 22. Stamp Act (f) prohibited production of iron mills in colonies

23. When government interferes with free markets, both _____ and _____ inevitably increase.

24. Government restrictions on the economy had _____ negative impact on colonists living up to their full potential as producers of goods and services.

(a) little (b) no (c) great

25. The English government's intervention in the American economy was an attempt to promote a _____ for English businesses.

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26. Which was **NOT** an *effect* of the English government's intervention in the colonies' economy? _____

(a) productivity discouraged (b) prices of imported goods increased

(c) colonists resorted to smuggling (d) mercantilism

(e) English goods boycotted (f) problems for business owners

27. _____ caused economic _____ to colonies and strife between nations.

28. The trickle-down effects of England's economic policy of mercantilism culminated in America's War for Independence. _____

(a) True (b) False

29. Write the **Life Principle**: _____

_____

_____

Score your activities. Correct errors. Review this section. Request your section quiz. Remember: you may be exempt from the chapter test if you score 85% or higher on all three section quizzes.

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Principles and Precepts of Economics

Topic 6: *Liberty or Death!*

Fill in the blank, mark true or false, or circle the correct answer.

1. Three important events took place in 1763: the _____ War ended; Parliament passed the _____ of _____; George Grenville became _____ of England.

2. The nine-year French and Indian war lasted from _____ to _____, and was the result of British and French _____ policies.

3. The Proclamation of 1763: _____.

   (a) encouraged settlement west of the Appalachians (b) taxed certain documents

   (c) forbid settlement west of the Appalachians (d) both a and b

4. Many settlers ignored the Proclamation and pushed west of the Appalachians. _____

   (a) True (b) False

5. Grenville retaliated by raising _____ from American Colonies, which helped to pay off _____ debts and to pay for military _____ along the western frontier.

6. American patriot, James Otis, fought against: _____

   (a) the Stamp Act (b) the Navigation Acts

   (c) writs of assistance (d) search warrants

7. The writs of assistance allowed English officers to search colonial belongings without ***probable cause***. _____ (a) True (b) False

8. The Sugar Act of 1764 taxed goods in addition to sugar, and greatly restricted shipping rights of colonists. _____ (a) True (b) False

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "5" being the last, for #9-13.

_____ 9. Parliament repeals the Stamp Act

_____ 10. Stamp Act Congress meets

_____ 11. Parliament passed the Stamp Act in 1765

_____ 12. Sons of Liberty "encourage" stamp agents to resign

_____ 13. Parliament passes the Declaratory Act

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14. Under the ***reprehensible*** Quartering Act of 1765, which place did British soldiers **NOT** have the right to occupy? _____

    (a) inns, ale houses, livery stables (b) unoccupied dwellings

    (c) colonial government buildings (d) people's houses

15. John Dickinson's pamphlet condemned the _____ Acts, on the basis of _____ without _____.

16. The city of Boston encouraged colonies to begin a policy of non-importation (boycotts). _____ were cut nearly in half. In response, Parliament eased up on enforcement of the _____ Act and repealed the _____ duties in 1770 (except for tax on tea).

17. In 1773, Parliament passed the Tea Act, which basically created a monopoly on tea for the East India Company, ensuring that no other tea could be sold in American Colonies. _____

    (a) True (b) False

18. The best known colonial economic response(s) to the Tea Act was(were): _____

    (a) the Boston Tea Party (b) tea was imported from France

    (c) colonists began drinking coffee (d) all of these (e) only a and c

Match each of the Coercive Acts with its definition, for #19-22.

_____ 19. Boston Port Act (a) British troops could live in people's houses

_____ 20. Massachusetts Act (b) colonial leaders to face trial in England

_____ 21. Administration of Justice Act (c) Closed a major New England sea port

_____ 22. Quartering Act (d) eliminated self-government in Massachusetts

23. American Colonists nicknamed the Coercive acts the: _____.

    (a) Despicable Acts (b) Insufferable Acts

    (c) Inexcusable Acts (d) Intolerable Acts

24. In 1774, the _____ Continental Congress met on September 5th with _____ from each of the 13 colonies, except _____, to decide on a course of action.

25. In the Declaration of Rights, the demands of the colonists had to do with: _____

    (a) repeal of various acts (b) taxation issues (c) assembly and petitions

    (d) rights as Englishmen (e) all of these (f) only a, b, and d

26. After the Boston Port Act, other colonies declared they would assist Massachusetts even to the point of using force. _____ (a) True (b) False

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27. In what two Massachusetts towns did the first fighting of the war occur? _____

_____

28. Which American patriot declared, "Give me liberty or give me death!"? _____

(a) Thomas Paine (b) Patrick Henry

(c) John Dickinson (d) Samuel Adams

29. The "_____" served to put America on a path of economic superiority.

30. British and colonial forces fought before independence was declared. _____

(a) True (b) False

31. Complete the wording of the following lines from the Declaration of Independence (penned by Thomas Jefferson):

"....We hold these _____ to be _____, that all men are _____, that they are endowed by their _____ with certain _____, that among these are _____, _____, and the pursuit of _____."

32. Which economic system did Adam Smith oppose in *The Wealth of Nations*? _____

_____

33. In *Common Sense*, Thomas Paine gave reasons why American Colonists should be obedient to the Crown. _____ (a) True (b) False

34. Many colonial _____, known as the "Black Robe Regiment," helped lay the foundation for American Independence decades prior to 1776.

35. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 7:
War!

Fill in the blank, mark true or false, or circle the correct answer.

1. Liberties we have enjoyed for more than 200 years are the result of the great _____, noble _____, and sound _____ of those brave men known as Founding Fathers.

2. Many of the problems that ***plagued*** the American army during the Revolutionary War could be traced to a scarcity of: _____

   (a) leadership (b) money

   (c) farmland (d) both a and c

3. What issue did the government ***NOT*** have to contend with regarding the army? _____

   (a) recruitment (b) training (c) equipping

   (d) paying (e) supplying (f) excesses

4. Benjamin Franklin was a diplomat to Spain, trying to get support for the war. _____

   (a) True (b) False

5. John Jay was a diplomat to France, trying to get support for the war. _____

   (a) True (b) False

6. After America declared its Independence in 1776, both _____ and _____ were willing to assist with financial loans and military _____.

7. The British ***blockades*** purposed to try to stop the importation of _____ from other nations to the American colonies.

8. French and Spanish Navies finally succeeded in opposing British naval efforts in America, greatly benefiting the American navy, and thus, the army. _____

   (a) True (b) False

9. The ***dearth*** of military supplies resulted from a lack of funds from France and Spain. _____

   (a) True (b) False

10. Why were American businessmen and farmers sometimes hesitant to supply the Continental army?

    (a) they were unpatriotic (b) they did not have enough crops

    (c) they might not be paid (d) none of these

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11. Under the _____ approved in 1777, _____ lacked authority to force _____ to contribute to war expenses, and each state contributed as it saw fit.

12. Fearful of too weak a government, Congress gave much authority to the government under the Articles of Confederation. _____

    (a) True (b) False

Understanding the Articles of Confederation: Mark "Y" for yes if the Articles allowed the action and "N" for no if the Articles did not allow the action, for #13-17.

_____ 13. wage war

_____ 14. raise taxes

_____ 15. regulate trade

_____ 16. make treaties

_____ 17. borrow money

18. What did many of the militia do that limited their availability? _____

    (a) fought only in summer (b) fought only in winter

    (c) fought only in spring (d) fought only in fall

19. What was the composition of the American army? _____

    (a) 2/3 militia and 1/3 regular enlisted (b) 1/3 militia and 2/3 regular enlisted

    (c) 1/2 militia and 1/2 regular enlisted (d) 1/4 militia and 3/4 regular enlisted

20. George Washington had as little as a few hundred men, and not more than 2,000 men, at any given time. _____

    (a) True (b) False

21. ***Hessians*** were ***mercenary*** soldiers from _____.

22. Severe ***deprivations*** and harsh conditions during the winter of 1777-1778 at Valley Forge, Pennsylvania, resulted in the death of _____ of Washington's 10,000 men.

    (a) nearly half (b) more than half

    (c) more than a quarter (d) nearly a quarter

23. The _____ was a young French patriot who greatly assisted the American cause with his personal _____ and service to General _____.

24. To deal with so many financial crises, Congress printed paper (fiat) money. _____

    (a) True (b) False

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25. The devaluing of the money supply during the war, resulted in what common saying?

"_____"

26. Who commented that it took a wagonload of money to buy a wagonload of supplies? _____

(a) Robert Morris (b) Benjamin Rush

(c) Patrick Henry (d) George Washington

27. Robert Morris, of Pennsylvania, was appointed Superintendent of _____ in 1781. He began to place the Nation's finances on solid ground, going so far as to donate his own money to keep the army supplied and prevent the country from going _____.

28. Who was the colonial doctor who not only signed the Declaration of Independence, but he also assisted troops in the field and raised funds for the troops? _____

29. After Washington's victory at the Battle of Yorktown, Virginia, on October 19, 1781, the fighting stopped. _____

(a) True (b) False

30. About how many Americans sacrificed their lives during the Revolutionary War? _____

31. The United States spent $_____ on the war, and the entire country was burdened by war _____.

32. The ineffectiveness of government under the _____ to deal with national debt, and other issues, led to the movement to enact a new _____ more suitable to governing the new Nation.

33. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 8:
The Constitution and Bill of Rights

Fill in the blank, mark true or false, or circle the correct answer.

1. Desire for a formal, governing document, was rooted in colonists' _____.

   (a) ***robust*** constitution (b) English/Christian heritage (c) church ***covenants***

2. Three examples of written agreements in English history by date are: (1215) _____ _____, (1628) _____, (1689) _____

3. Colonists subscribed to the concept of _____ truth, and as such, believed that responsibilities and boundaries of _____ should be plainly spelled out in writing.

4. At the start of the War for Independence, what did the Second Continental Congress encourage the 13 states to do? _____

   (a) rewrite colonial charters (b) write their own constitutions

   (c) make separate treaties with England (d) both a and c

5. At first, what did the term "state" **NOT** mean to the original 13 colonies? _____

   (a) a separate nation (b) an ***autonomous*** entity

   (c) an American state (d) independent of other colonies

6. One reason for the weakness of the Articles of Confederation was that states did not intend to give up any of their ***sovereignty***. _____

   (a) True (b) False

7. In nearly every state, before a person could vote, he must _____.

   (a) be a citizen (b) be white (c) be Protestant

   (d) be a land owner (e) only a and b (f) only c and d

8. Property _____ ensured that only people well-invested in the community had a say in _____; this kept those not genuinely concerned with local and state affairs from determining _____ outcomes.

9. The original intention of the convention meeting in May 1787 was to: _____

   (a) declare war on Great Britain (b) write a new constitution

   (c) revise the Articles of Confederation (d) create international trade agreements

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10. Benjamin Franklin was elected unanimously to preside over the Constitutional Convention.

_____ (a) True (b) False

11. Who was known as the "Father of the Constitution"? _____

12. R***atified*** means to give _____, _____ approval.

13. Which two key states had not yet ratified the new Constitution, even though the required minimum of 9 states had already approved it, and it had already become the law of the land?

(a) Massachusetts and Rhode Island (b) New York and Georgia

(c) Virginia and Georgia (d) New York and Virginia

Understanding the Constitution: Mark "F" for the Federalist's perspective and "A" for the Anti-federalist's perspective, for #14-17.

_____ 14. supported ratification of the Constitution as written

_____ 15. would not ratify the Constitution without a Bill of Rights

_____ 16. believed a Bill of Rights might inadvertently omit important rights

_____ 17. Alexander Hamilton, James Madison, John Jay

18. The Founders believed that rights come from persons in authority. _____

(a) True (b) False

19. During the Founding Fathers' era, there was a clear consensus that _____ do not come from _____. Since governments cannot _____ rights, neither can governments take them away.

20. The government in the United States is based on a system known as *federalism*, which means that power is shared by: _____

(a) Federal and state governments (b) 3 branches of government

(c) the house of representatives and senate (d) none of these

21. Under Federalism, a balance of powers existed at the federal level, with powers separated into three branches: (President) _____, (Congress) _____, and (Supreme Court) _____

22. The new government under the Constitution was a _____.

(a) democracy (b) republic (c) democratic republic

23. The only proper function of government is to _____ its citizens.

(a) control (b) protect (c) support (d) both b and c

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24. What part of the Constitution specifies rights of individuals? _____

_____

Match each of the Amendments from the Bill of Rights with its description, for #25-29.

_____ 25. 1st Amendment	(a) protections for those accused of crimes
_____ 26. 2nd Amendment	(b) protection from unlawful search and seizure
_____ 27. 4th Amendment	(c) freedom of religion, press, and speech
_____ 28. 5th Amendment	(d) right to keep and bear arms
_____ 29. 7th Amendment	(e) right to trial by jury

30. The new Constitution was the culmination of: _____

_____,_____, and accepted practices (such as _____) in the colonies from earliest times.

31. Thanks to America's liberty and free enterprise system, America was able to surpass what European nation as the industrial giant of the world within 50 years: _____

(a) France (b) Spain

(c) Great Britain (d) Italy

32. _____ became the Nation's first Secretary of the Treasury, and helped to implement several sound financial policies that greatly benefited America.

33. The recommendations Hamilton made to Congress could be summed up in four words: pay off all debts. _____ (a) True (b) False

34. Hamilton also helped to establish the first national _____ (the _____ _____), which greatly benefited America's _____ standing among other nations.

35. In 1792, the United States Mint was established to mint coins made of: _____.

(a) copper, silver, gold (b) copper, gold, platinum

(c) copper, lead, brass (d) silver, gold, platinum

36. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 9:
Land of Opportunity

Fill in the blank, mark true or false, or circle the correct answer.

1. As a free _____ with a Constitution that protected the God-given rights of man, America had the _____ necessary for growth and _____.

2. The Constitution limited the amount and types of taxes that could be ***levied***, ensuring that people had more of their hard-earned money for personal purchases and investments. _____

   (a) True (b) False

3. American entrepreneurs and workers demonstrated that they possessed an ample amount of _____.

   (a) ***ambition*** (b) ability (e) only a and b

   (c) ingenuity (d) all of these

4. New inventions in _____ and _____ enabled more people to migrate _____ and set up farms, and then towns.

5. _____ built ***turnpikes***, and profited from them by charging tolls.

   (a) local governments (b) state governments

   (c) the federal government (d) entrepreneurs

6. Canals built in Pennsylvania and Virginia prior to the 19th Century joined the Atlantic Ocean to the Great Lakes. _____

   (a) True (b) False

7. The Erie Canal: _____.

   (a) Connected the Atlantic Ocean & Great Lakes (b) was built in 1825

   (c) was never completed (d) only a and b

8. Samuel Morse invented the telephone. _____

   (a) True (b) False

9. The _____ was invented by Samuel Morse in the 1830s. It enabled people to communicate long distances via ***rudimentary*** electronic signals called _____.

10. If you were a telegraph operator on a sinking ship, what message would you likely send to get help from other ships? _____ (...---...)

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11. The first transcontinental railroad was completed at: _____.

    (a) San Francisco, CA (b) New York, NY

    (c) Salt Lake City, UT (d) Promontory, UT

12. The vast natural resources on the North American Continent were transformed by the _____ industry into useful products that benefitted people around the world.

13. What event improved the standard of living for every American? _____

    _____

14. When compared with poor people in other countries throughout history, 19th Century American factory workers would have been considered wealthy. _____

    (a) True (b) False

15. In the 19th Century, if a person made wise use of his _____, _____, and _____, he could one day own his own factory or business.

16. In the 19th Century, Americans could improve their station in life because: _____.

    (a) people were not limited by social class (b) there was great freedom

    (c) there were no excessive taxes and regulations (d) all of these

17. The main incentive for people in America to work harder and smarter was that they could enjoy the fruits of their labor without governmental intervention. _____

    (a) True (b) False

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #18-21.

_____ 18. economic growth leads to international trade

_____ 19. liberty in economic endeavors

_____ 20. a greater variety of goods flows into the marketplace

_____ 21. American businesses flourish

22. In 19th Century America, prices rose or dropped based on the economic principle of _____ and _____.

23. Mercantilistic policies of government hamper the "invisible hand" of the free market. _____

    (a) True (b) False

24. Immigrants left their homelands to come to America due to various kinds of _____ (or persecution) and _____ there.

25. 19th Century immigrants did their best to _____ into American culture.

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26. 19th Century immigrants took little pride in becoming Americans. _____

(a) True (b) False

27. By the 19th Century, thanks to the liberty and economic opportunities that existed, America had become: _____.

(a) the greatest nation on earth (b) burdened with foreign debt

(c) despised by its poorest citizens (d) both b and c

28. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 10:
Prosperity
vs
New Ideologies

Fill in the blank, mark true or false, or circle the correct answer.

1. The _____ economy in the United States laid the groundwork for technology to advance at an ***unprecedented*** rate in history.
2. *Unprecedented* means: _____

   _____
3. From 1776 to 1926, American innovations in communications led to what 3 inventions?

   _____
4. From 1776 to 1926, American innovations in transportation led to what 4 inventions?

   _____

   _____
5. When America was settled by the English in the early _____ Century, settlers possessed little in terms of _____ that had not already been in common usage for _____ years.
6. What did Benjamin Franklin invent? _____

   (a) lightning rod (b) wood burning stove

   (c) bi-focal glasses (d) all of these
7. Not until America became an independent, autonomous nation with great freedom, did the explosion in creativity and economic prosperity really begin. _____

   (a) True (b) False
8. The _____ Revolution brought _____ in life for people at all _____ levels of society.
9. When did opposition to free markets first begin in America? _____

   (a) mid-18th Century (b) mid-19th Century

   (c) mid-20th Century (d) mid-21st Century
10. Things that people can do to ensure their success: work _____, learn from _____, seek _____, use their _____, keep _____, expand _____.

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11. Things *unsuccessful* people tend to do: _____ easily, make _____, _____ hard work, _____ for their own _____.

12. Individuals who accept absolute truth recognize that good actions lead to good outcomes, bad actions lead to bad outcomes. This concept is often referred to as the: _____

_____

13. According to the law of sowing and reaping, if you sow a pumpkin seed, you will reap _____.

(a) cucumbers (b) weeds (c) pumpkins (d) none of these

14. People who accept absolute truth, disregard the law of reaping and sowing. _____

(a) True (b) False

15. Collectivists believe that people who work hard must be _____ by _____ to share the fruits of their _____.

16. Marxism is the philosophy used to justify thievery. _____

(a) True (b) False

17. How do communists prefer to implement Marxist policies? _____

(a) convince people to vote away rights (b) use brute force

(c) both of these (d) neither of these

18. Marxists reject _____ truth in favor of _____ truth. In their minds, people are free to make up their own "_____".

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #19-22.

_____ 19. Marxists force producers to pay the government money (via taxation).

_____ 20. Poor children are in need of food and clothing.

_____ 21. Marxists redistribute other people's wealth to those in poverty.

_____ 22. Marxists end up perpetuating the poverty.

23. Continually giving people free things leads to ***generational*** dependence on government handouts.

_____ (a) True (b) False

24. In order for Marxist dogma to spread in the mid-19th Century, what did its ***proponents*** **NOT** have to do? _____

(a) villainize free markets (b) infiltrate the government (c) take over key US institutions

25. When greed drives a business owner to put profits above the safety and well-being of employees, he gives Marxists an excuse to convince people that free markets are bad. _____

(a) True (b) False

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26. By hypocritically convincing poor people that they deserve a share of others' earnings, Marxists condemn the _____ of _____, while using _____ to further their own agenda.

27. Marxists encourage _____, which breeds strife and _____ warfare, and eventually leads to riots and _____.

28. Marxists create chaos, then propose solutions which seem more ***palatable***, but which end up with loss of liberty. _____ (a) True (b) False

29. To get American society to embrace Marxism, Marxists gained control of: _____.

(a) colleges (b) universities (c) Congress (d) only a and b

30. Collectivist professors praised capitalism and absolute truth, while condemning collectivism and relative truth. _____

(a) True (b) False

31. A ***paradigm*** shift in _____ values occurred as the _____ model of origins replaced the _____ model in science and in education.

32. As students and voters accepted criticism of America's Founding Fathers and their principles, and were taught that rights come from government, _____.

(a) voters accepted political changes (b) voters permitted collectivist policies

(c) people willingly surrendered liberties (d) all of these

33. Who are the 3 players in the Circular Flow Model of the economy? _____

_____

_____

34. In the Circular Flow model, an action taking money out of the economy is referred to as "_____"; money entering the economy is referred to as an "_____."

35. Collectivist governments like to use the Circular Flow model to predict outcomes and manipulate the economy. _____ (a) True (b) False

36. "Governments that try to manipulate the economy through inflation, and that *fix* interest rates and prices, end up creating cycles of 'boom' and 'bust'...." In this context, *fix* means to: _____

(a) repair (b) stabilize (c) adjust

37. A free market _____ cannot function _____ when government bureaucrats constantly inject taxes, _____, penalties, and restrictions.

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38. Write the **Life Principle**: _____

_____

_____

**Score your activities.
Correct errors. Review this section.
Request your section quiz. Remember: you may be exempt from the chapter test if you score 85% or higher on all three section quizzes.**

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Economics

Chapter 2, Section 3



Principles and Precepts of Economics

Topic 11: *The Progressives*

Fill in the blank, mark true or false, or circle the correct answer.

1. Progressives were in essence, _____ of the late 19th and early 20th Centuries. They embraced _____ views on the economy, though they were more like _____ than communists in their methodology.

2. Progressives believed that government should be used as a tool to create social change. _____

   (a) True (b) False

3. Progressives promoted democracy in order to _____ the general public into _____ for leaders who would enact _____ policies.

4. What sort of government did the Founding Fathers create? _____

   (a) democracy (b) democratic republic (c) republic (d) both b and c

5. Progressives believed that government should not play a large role in the daily lives of all Americans, preferring that education, healthcare, businesses, and labor be run by private industry. _____ (a) True (b) False

6. Progressives ***propagated*** their ideas at colleges and _____, which trained new educators to spread progressive _____ to more educational institutions.

7. Absolute truth is often ***negated*** when progressive judges indirectly "pass" laws promoting collectivism and relative truth, while disapproving laws they don't like. This is referred to as:

   _____.

   (a) judicial restraint (b) judicial constraint

   (c) judicial enhancement (d) legislating from the bench

8. Rather than deciding the constitutionality of a law (based on what the Constitution actually states), _____ would make decisions based on _____.

9. ***Pragmatism*** is based on absolute truth. _____

   (a) Truth (b) False

10. By declaring that the Constitution is a "living document," progressives insisted that the interpretation of the Constitution should: _____.

    (a) change to reflect current values (b) remain as the Founders intended

    (c) be discarded completely (d) none of these

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11. In the 1908 court case of Muller v. Oregon, for the first time in history the Supreme Court made a decision based on absolute truth. _____

    (a) True (b) False

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #12-15.

_____ 12. the Oregon State Supreme Court upheld the law

_____ 13. Oregon passed a law limiting a woman's work day to 10 hours

_____ 14. the United States Supreme Court upheld the law

_____ 15. Muller violated the law, was convicted, and appealed his conviction

16. To a relativist, what is "true" today is subject to change, and thus the reason so many contradictory laws exist in the United States. _____

    (a) True (b) False

17. In the late 19th Century, when socialists tried openly to enact socialist ideology, how did the American public react to that ideology? It was _____.

    (a) accepted (b) rejected (c) put on hold

18. How did progressives overcome American opposition to socialist policies? _____

    (a) enacted socialist policies ***piecemeal*** (b) promoted the idea of making life "fair"

    (c) they used brute force (d) both a and b

19. Who were the three progressive presidents in the early 20th Century? _____

    _____

20. Progressives usually gained _____ by passing laws they ***purported*** were best for _____, but in reality the laws simply gave _____ more power over a particular aspect of individual's lives.

21. Progressives passed _____ to gain control over how, which, and where buildings could be constructed.

22. Who were the progressive journalists who tried to make capitalism look bad? _____

    (a) moonrakers (b) spoonmakers

    (c) muckrakers (d) dealbreakers

23. Progressives claimed that government regulations were unnecessary to keep Americans safe. ____

    (a) True (b) False

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24. A free market solution to straighten out the problem of a company selling rat-infested meat would be to boycott that company. _____

(a) True (b) False

25. Define ***compulsory***: _____

_____

26. Controlling education was essential for progressives in order to make "progressive disciples" to perpetuate their agenda. _____

(a) True (b) False

27. John Dewey, called the "Father of Modern _____," was a progressive educator who promoted the idea of creating _____ change through _____ education.

28. Who promoted compulsory public education to control the minds of children? _____

(a) Soviet Union (b) Hitler

(c) progressives (d) all of these

29. America's school children were used as "_____" for progressive educators during the 20th Century.

30. New education _____ were constantly being introduced, resulting in a continually-changing series of education methodologies, and the _____ of education suffered greatly.

31. Prior to progressive education methodologies, most American children obtained either a _____ or _____ education.

32. Progressive educators wanted to mold children to meet the objectives of collectivists. _____

(a) True (b) False

33. By the late 1920s, progressives began referring to themselves as: _____

(a) liberals (b) conservatives

(c) moderates (d) independents

34. Changing the meaning of words is a common strategy used by relativists to camouflage their true intentions. _____ (a) True (b) False

35. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 12:
Change Comes

Fill in the blank, mark true or false, or circle the correct answer.

1. The Progressive agenda in America slowly wormed its way into the 20th Century. _____

   (a) True (b) False

2. Trade unions are groups of _____workers in a given _____, such as carpenters and mechanics.

3. Things for wich unions petition employers include higher _____, better _____, and more _____.

4. Members of trade unions pay monthly _____ to support union _____, who in turn force business owners into negotiations through ***strikes***.

5. In essence, union strikes constitute a form of blackmailing business owners to comply with union demands. _____

   (a) True (b) False

6. What can an employer do if workers strike? _____

   (a) hire non-union workers (b) give in to workers' demands

   (c) ignore the striking workers (d) both a and b

7. Workers who cross a ***picket line*** of striking employees are applauded as "heroes." _____

   (a) True (b) False

8. Many of the union positions that need to be filled during a strike require _____, well-trained workers; and finding _____ for striking workers can be time-consuming and _____for employers.

9. What did the Knights of Labor **NOT** seek to accomplish? _____

   (a) shorter working hours (b) equal pay for women

   (c) no child labor (d) shared business ownership

10. Unlike other unions, Terrance Powderly, who started the Knights of Labor, did **NOT** advocate: _____.

    (a) paying union dues (b) strikes

    (c) including unskilled workers (d) none of these

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11. Since skilled and unskilled workers had few goals in common, the Knights of Labor was ineffectual in its efforts on behalf of its members, which contributed to its ***demise***. _____

    (a) True (b) False

12. How did the American Federation of Labor (AFL) organize their workers? _____

    (a) by age and trade (b) by skilled or unskilled labor

    (c) by trade and skill (d) by trade and gender

13. Which did Samuel Gompers, AFL President, **NOT** seek to obtain for their members? _____

    (a) more pay (b) shorter hours (c) more benefits (d) equal pay for women

14. In 1893, _____ Eugene Debs established the American Railway Union for _____ employees.

15. What did the Pullman Palace Car Company **NOT** do in prompting Debs to call a massive strike of railway workers? _____

    (a) laid off two-thirds of workers (b) cut remaining workers' pay

    (c) boycotted the Railway Union

16. Debs called for a strike of Pullman railroad workers because Pullman refused ***arbitration***. _____

    (a) True (b) False

17. How did the government end the strike against the Pullman Palace Car Company? _____

    (a) President Cleveland sent troops (b) the government supplied workers

    (c) the Post Office stopped using trains (d) the government got an ***injunction***

18. Whenever a business owner is forced out of his property, local economies suffer as employees lose their jobs. _____

    (a) True (b) False

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "5" being the last, for #19-23.

_____ 19. unions collect union dues from members

_____ 20. politicians pass tariffs on imports

_____ 21. unions use large sums of money to help get politicians elected

_____ 22. prices of imported goods go up, encouraging purchase of more domestic goods

_____ 23. quality of goods declines and prices rise

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24. Collectivists view wealth as a _____ with only a certain quantity available to everyone.

(a) cake (b) pie (c) loaf of bread

25. Which of these describes the collectivist view of the wealth "pie?" _____

(a) poor people have small slices (b) rich people have big slices

(c) wealth is limited, so the pie must be shared (d) all of these

26. ***Visionaries*** create wealth by using _____ to produce goods and services of use and _____ people.

27. Wealth creation exists with nearly unlimited potential. _____

(a) True (b) False

28. What three attributes have helped poor people in America become wealthy? _____

_____

29. A poor person in a collectivist society is far more likely to achieve wealth than a poor person in a free market. _____

(a) True (b) False

30. Poor people in _____ societies have accepted their lot as a _____ condition, and they become dependent on _____ to provide basic needs.

31. Which is ***NOT*** true of free markets? _____

(a) provide hope and opportunity to people (b) create wealth

(c) ensure everyone has opportunity (d) ensure equality of income

32. Collectivism: _____.

(a) limits potential (b) keeps people from improving

(c) creates dependency on government (d) all of these

33. The more _____ has infiltrated free markets through government _____, the harder it is for people to _____ in the free market.

34. Write the **Life Principle**: _____

_____

_____

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Principles and Precepts of Economics

Topic 13:
New Economics
Part I

Fill in the blank, mark true or false, or circle the correct answer.

1. Politicians in America have violated principles of the Declaration of Independence and Constitution at what levels of government? _____

   (a) local (b) state

   (c) federal (d) only b and c

2. Fortunately, most Americans have aggressively opposed the collectivization of America. _____

   (a) True (b) False

3. Freedom is not _____ – it requires eternal _____; freedom is lost ***incrementally*** through _____ ***encroachment***.

4. During the Progressive Era, laws were passed and government bureaucracies created that: _____

   (a) regulated interstate commerce (b) regulated food & drug production

   (c) regulated radio broadcasts (d) all of these

5. The biggest problem with the Federal Trade Commission's statement, "unfair methods of competition in commerce are hereby declared unlawful," was that they did not define _____.

   (a) "unfair" (b) methods (c) unlawful

Matching: assign the correct Amendment to its description, for #6-8.

_____ 6. 16th Amendment (a) direct election of senators by voters

_____ 7. 17th Amendment (b) established prohibition

_____ 8. 18th Amendment (c) made income tax constitutional

9. Which Amendment opened the door for collectivists to redistribute wealth? _____

   (a) 16th Amendment (b) 17th Amendment

   (c) 18th Amendment (d) 19th Amendment

10. The _____ system of taxation _____ financial growth, as the more money a person makes, the greater the _____ of taxes he must pay.

11. The Founding Fathers set up the Constitution so that Senators were appointed by the states, giving states, giving states a voice in federal affairs. _____

    (a) True (b) False

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12. Collectivists favor democracy, so people can vote on issues directly. This enables governments to bribe people into voting for candidates who offer to provide more welfare benefits. _____

    (a) True (b) False

13. In 1913, the _____ established a federal banking system. It consists of 12 Federal Reserve banks, one in each of 12 federal _____ created in the country.

14. In what way does the Federal Reserve **NOT** manipulate the economy? _____

    (a) controls coin mintage (b) controls currency printing

    (c) controls credit (d) controls interest rates

15. What happens during the "boom" side of the business cycle? _____

    (a) creation of wealth (b) economic depression

    (c) economic growth (d) both a and c

16. What happens during the "bust" side of the business cycle? _____

    (a) creation of wealth (b) economic depression

    (c) economic growth (d) both a and c

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "5" being the last, for #17-21.

_____ 17. businesses lay off workers to deal with economic hardships

_____ 18. Federal Reserve raises interest rates and inflates the money supply

_____ 19. businesses suffer due to increased costs

_____ 20. unemployed workers rely on more government benefits

_____ 21. federal government raises taxes to pay for additional welfare benefits

22. Who was the collectivist-minded British economist who has shaped economic policy in the United States since the first half of the 20th Century? _____

23. When _____ (FDR) became President in 1933, a ***tsunami*** of regulations were passed to form bureaucracies under what was called the "_____."

24. Under FDR's leadership, the government took control over all **BUT**: _____.

    (a) industry (b) electrical power (c) labor

    (d) agriculture (e) communicationa (f) medicine

25. During the New Deal, the government paid farmers to grow more crops or raise more livestock.

    _____ (a) True (b) False

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26. At the initiation of the Agricultural Adjustment Act of 1933, the government ordered the destruction of thousands of acres of cotton and other crops, and ordered the destruction of 6 million pigs. _____ (a) True (b) False

27. Which agency used fascist-like propaganda to encourage consumers to buy products produced or sold by cooperating businesses? _____

    (a) National Recovery Administration (b) Federal Reserve Act

    (c) Federal Trade Commission (d) none of these

28. To overcome opposition to his agenda, when the Supreme Court began striking down provisions of the New Deal, FDR tried to "stack" the Court in his favor. _____

    (a) True (b) False

29. What action did FDR take in 1933 that enabled the government to begin inflating the money supply? _____

    (a) moved the economy away from gold standard (b) outlawed private possession of gold

    (c) forced people to sell gold to Federal Reserve (d) all of these

30. Which President announced in 1971 that the United States would no longer convert dollars to gold at a fixed rate, essentially ending what was left of the gold standard? _____

    (a) Lyndon B. Johnson (b) Richard Nixon

    (c) Gerald Ford (d) Jimmy Carter

31. During FDR's ***tenure***, the _____ branch actually wrote many _____, that were sent to _____ for passage.

32. Historians call FDR's first 100 days in office "The First Hundred Days" because so many changes were made. _____

    (a) True (b) False

33. By the mid 1940s, America had become, in essence, a _____.

34. Many American business owners are hesitant to invest money due to: _____.

    (a) free enterprise risks (b) government controls (c) not knowing how to ***kowtow***

35. _____ economics are a disaster for freedom-loving people, and contribute much _____ to countries that could otherwise prosper.

36. Write the **Life Principle**: _____

    _____

    _____

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Name: _____

Date: _____ Grade: _____



Principles and Precepts of Economics

Topic 14:
New Economics Part II

Fill in the blank, mark true or false, or circle the correct answer.

1. Which was **NOT** a factor that led to the ***Great Depression***? _____

   (a) government inflation of money (b) over-puchasing of stock

   (c) capitalism and free enterprise

2. Why did people, who had never before gambled on the stock market, lose their life savings? _____

   (a) banks closed all over the country (b) banks only keep a limited supply of cash

   (c) banks ran out of cash (d) all of these

3. What was the main factor that ended the Great Depression? _____

   (a) FDR's New Deal programs (b) World War II (e) only a and b

   (c) American industry (free enterprise) (d) all of these

4. Of the "four essential freedoms" FDR claimed all people are entitled to, the Founding Fathers would have strongly disagreed with "freedom from _____", and "freedom from _____."

5. The collectivist desire to form a _____ government, with the _____ as the ruling body over all men, has been an ongoing _____ to freedom-loving people around the world.

6. What collectivist plan did President Harry S. Truman promote? _____

   (a) New Deal (b) Fair Deal

   (c) New Frontier (d) Great Society

7. What act, passed in 1946 during Truman's presidency, essentially made the government the custodian of employment in the United States? _____

8. President Truman's _____ of 1949 got the government involved with low-income _____.

9. What is one victory conservatives had during Truman's Presidency? _____

   (a) overturned the Employment Act (b) overturned the Housing Act

   (c) overturned price controls (d) none of these

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10. One of the reasons _____ flourished in the 1950s was President Eisenhower's pro-business _____.

11. During his first term, President Eisenhower opposed what he called "creeping socialism." but during his second term: _____.

    (a) he seemed to ***capitulate*** to the welfare state (b) a new Housing Act passed

    (c) ***deficit spending*** soared (d) all of these

12. Factors that led to economic growth in the 1950s included: _____.

    (a) automation (b) internet (c) computers

    (d) all of these (e) only a and c

13. What did President John F. Kennedy call his collectivist program? _____

    (a) New Deal (b) Fair Deal

    (c) New Frontier (d) Great Society

14. Kennedy's program implied that values and principles that made America free and prosperous were somehow defective, and a new direction was needed. _____

    (a) True (b) False

15. Kennedy greatly increased government spending on collectivist programs, especially in the areas of _____, _____, _____ programs, and _____housing.

16. President Lyndon B. Johnson declared war on: _____

    (a) Communist Russia (b) radical Islam

    (c) Nazi Germany (d) poverty

17. What did President Johnson call his collectivist program? _____

    (a) New Deal (b) Fair Deal

    (c) New Frontier (d) Great Society

18. Perhaps the most helpful acts signed into law by President Johnson, were the clean air and water acts, which were so beneficial to economic growth. _____

    (a) True (b) False

19. Many _____ consider the _____ to be as the most important entity, and think that man is a ***blight*** upon it.

20. Many environmentalists believe animals and the earth should have priority over the needs of people. _____ (a) True (b) False

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21. Using questionable science, environmentalists ***lobby*** for laws to be passed that limit: _____.

(a) construction (b) development

(c) retrieval of natural resources (d) all of these

22. Nearly every industry has been hurt by environmental laws that manipulate free markets, and confiscate, or control, private property. _____

(a) True (b) False

23. President Richard M. Nixon furthered the environmentalist movement by creating the _____ (EPA).

24. Why does the EPA have so much power? _____

(a) they write their own regulations (b) they enforce their own regulations

(c) they seek Congress's approval on regulations (d) only a and b

Understanding cause and effect relationships: Number the following events in order from first to last, with "1" being the first thing to happen and "4" being the last, for #25-28.

_____ 25. EPA regulations deprive citizens and businesses of property and property rights

_____ 26. Nixon signs executive order establishing the EPA

_____ 27. Economy suffers due to lack of liberty

_____ 28. EPA creates regulations governing use of environmental resources

29. The Endangered Species Act enables the _____ to stop development of land and harvesting of _____ by merely declaring an animal or insect to be _____.

30. Under Democrat Jimmy Carter's administration, energy production increased. _____

(a) True (b) False

31. Which president(s) enabled collectivism to spread? _____

(a) Republican George H. W. Bush (b) Democrat William J. Clinton

(c) Republican George W. Bush (d) Democrat Barak H. Obama

(e) all of these (f) only b and d

32. Both _____ and _____ have strengthened and expanded the welfare state, although _____ tend more towards free market policies overall.

33. "The Affordable Care Act" ("Obamacare") amounted to a government takeover of the US healthcare industry. _____ (a) True (b) False

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34. Which was **NOT** an abusive power policy of the Obama administration? _____

(a) punitive measures by the IRS against political ***dissidents***

(b) refusing to protect US borders

(c) allowing ***sanctuary*** cities to harbor illegal aliens

(d) accomodating racial discord and rioting

(e) implementing massive welfare programs

(f) imposing severe regulations on businesses, resulting in out-of-control unemployment

(g) spurring economic growth via oil, coal, and natural gas industries

35. Write the **Life Principle**: _____

_____

_____

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Name: _____

Date: _____ Grade: _____



Principles and Precepts of Economics

Topic 15:
Return to Greatness

Fill in the blank, mark true or false, or circle the correct answer.

1. President _____ and proponents of _____ Economics provided the ***blueprint*** that can enable this generation to prosper and enjoy economic and personal liberty again.

2. What was it about President Reagan that encouraged Americans to have confidence in their Founding principles? _____.

   (a) his optimism (b) his faith in Judeo-Christian principles

   (c) his pessimism (d) only a and b

3. The four main goals in Reagan's presidency were to reduce: _____

   _____

   _____

   _____.

4. Most historians concur that Reagan was at least partially successful in his endeavors. _____

   (a) True (b) False

5. Under Reagan's presidency, federal spending declined from 4.0 percent during the Carter administration to: _____

   (a) 2.5% (b) 1.5% (c) 3.5% (d) .5%

6. The top marginal tax rate on individual income was reduced from 70 percent to: _____

   (a) 50% (b) 30% (c) 40% (d) 28%

7. The corporate income tax rate was reduced from 48 percent to: _____

   (a) 40% (b) 34% (c) 45% (d) 10%

8. Reagan eased or eliminated price controls on all **BUT**: _____

   (a) oil, natural gas (b) cable TV (c) long-distance phone service

   (d) interstate bus service (e) ocean shipping (f) import barriers

9. What did Reagan support that ran counter to free market principles? _____

   _____

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10. Productivity in the manufacturing sector increased at a 3.8 percent annual rate, a record for peacetime. _____ (a) True (b) False

11. The *unemployment* rate declined from 7.0 percent in 1980 to _____ percent in 1988. The *inflation* rate declined from 10.4 percent in 1980 to _____ percent in 1988.

12. Originally to ***disparage*** him, Reagan's economic policies were called: _____.

(a) Ergonomics (b) Reaganomics (c) neither of these

13. Trickle-down Economics is based on: _____.

(a) Marxism (b) Socialism (c) Supply-side Economics (d) both a and b

Understanding cause and effect relationships: Trickle-down Economics. Number the following events in order from first to last, with "1" being the first thing to happen and "5" being the last, for #14-18.

_____ 14. entrepreneurs invest in expanding their businesses

_____ 15. more people have more money to spend

_____ 16. tax cuts are given to entrepreneurs

_____ 17. more jobs are created

_____ 18. the economy prospers

19. Reagan's policies were more in line with free market principles embraced by our Founding Fathers than any other modern President. _____ (a) True (b) False

20. Carl _____ and Ludwig _____ were two of the early proponents of Austrian _____.

21. _____ was another famous Austrian economist who greatly influenced movement back towards _____ markets in the United States during the 20th Century when collectivists were running ***amok***.

22. Which two world leaders did Hayek's economic work greatly influence during the 1980s?

_____

23. Which Austrian Economist served as an advisor to President Reagan? _____

(a) Carl Menger (b) Ludwig von Mises (c) Friedrich Hayek (d) Milton Friedman

24. Perhaps more than any other _____ in modern times, Friedman's defense of _____ helped to preserve and promote _____ liberty for Americans and others around the world.

25. Under President Obama, power of government and restrictions against free markets shrank ***monumentally***. _____ (a) True (b) False

26. US Citizens have allowed the federal government to become increasingly _____.

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27. At what levels has government usurped power? _____

    (a) federal (b) federal and state

    (c) state and local (d) federal, state, and local

28. According to the Founding Fathers, a government that restricts or takes away inalienable rights becomes _____, and must be _____ or abolished.

29. Knowledge is power; therefore, the *first* things needed to reverse current economics practices are:

    (a) education and integrity (b) voting and putting up political signs

    (c) protests and boycotts (d) none of these

30. The writings of Austrian _____, America's Founding _____, and other _____ proponents provide excellent insight into America's founding economic principles and "the way things ought to be."

31. The power of the _____ is incredible for disseminating _____.

32. Two things you could share about on social media that would help return America to its founding principles would be _____ vs _____ truth, plus personal and economic liberty espoused by America's _____.

33. Americans have founded numerous organizations to oppose government infringements upon their economic freedom, and to promote individual liberty. _____

    (a) True (b) False

34. The _____ Party was formed in 2004 to fight ***draconian*** government _____ upon personal and _____ freedoms.

Match the organizations with their stated purposes, for #35-40.

_____ 35. Eagle Forum	(a) free enterprise and constitutionally limited government
_____ 36. Heritage Foundation	(b) individual liberty, limited government, free markets, and peace
_____ 37. CATO Institute	(c) restoring government to citizens' control
_____ 38. Citizens Against Government Waste	(d) promote principles of free enterprise
_____ 39. Freedom Works	(e) eliminate waste, fraud, abuse, and mismanagement in government
_____ 40. Citizens United private	(f) self-government, integrity, virtue, enterprise

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41. Write the **Life Principle**: _____

_____

_____

**Score your activities.
Correct errors. Review this section.
Request your section quiz. Remember: you may be exempt from the chapter test if you score 85% or higher on all three section quizzes.**

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