

Take Test: Module 4 quiz

Test Information

Description It will be true of every weekly quiz that you will have 90 minutes to complete it.

You must complete it before the end of the module in which it's assigned.

You earn a half point towards your final point tally for each correct answer.

Instructions

Timed Test This test has a time limit of 1 hour and 30 minutes. This test will save and submit automatically when the time expires.
Warnings appear when **half the time**, **5 minutes**, **1 minute**, and **30 seconds** remain.

Multiple Attempts Not allowed. This test can only be taken once.

Force Completion Once started, this test must be completed in one sitting. Do not leave the test before clicking **Save and Submit**.

Remaining Time: **52 minutes, 59 seconds.**

⌵ Question Completion Status:

Save All Answers

Save and Submit

QUESTION 1

0.5 points

Saved

According to Mises, what is the benefit of double-entry bookkeeping?

- ☐ a. Prevents the entrepreneur from having an effective grasp of what's going on in each corporate division.
- ☐ b. Distinguishes between accounts payable and account receivable
- ☐ c. Reduces mistakes because two separate people are entering the data
- ☒ d. Makes it possible to separate the calculation of profit and loss in each division of an enterprise, which allows the managerial system to run efficiently

QUESTION 2

0.5 points

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Why does Friedman think that a position which claims that to support "social responsibilities of

business" is to support "pure and unadulterated socialism"?

- ☐ a. Using the word "socialism" is a way to grab the attention of an American audience.
- ☒ b. Friedman takes this position to expose the subversive socialist conspiracy which aims to overthrow American dominance, values, and way of life through incrementally undermining the free-enterprise system.
- ☐ c. Friedman argues that when corporate executives divert money and resources toward social responsibilities it is the same as the state taking and controlling the distribution these resources.
- ☐ d. Friedman argues that it is the role of government, not private enterprise, to be responsible for distributing resources for social needs.

QUESTION 3**0.5 points****Saved**

Which of the following is NOT an example that Long mentions of government favoritism towards corporations?

- ☐ a. Bailouts
- ☐ b. Monopoly privilege
- ☒ c. Unemployment insurance
- ☐ d. Eminent domain

QUESTION 4**0.5 points****Saved**

According to Robert T. Long's article "Corporations versus the Market; or, Whip Conflation Now," which dichotomy leads to the conflation of free markets and corporatism?

- ☐ a. Corporate Power vs. Free Market
- ☐ b. Government controlled monopoly vs. Private controlled monopoly
- ☒ c. Vulgar Libertarianism vs. Vulgar Liberalism
- ☐ d. None of the above

QUESTION 5**0.5 points****Saved**

In Carson's article "Economic Calculation in the Corporate Commonwealth," he argues against state capitalism (or corporatism). Which of the following would count as examples of corporatist policies?

- ☐ a. The use of taxation revenue to subsidize corporate operational costs
- ☐ b. Coercive government policies that subsidize the accumulation of corporate capital
- ☐ c. Regulatory practices which cartelize markets
- ☒ d. All of the above

QUESTION 6**0.5 points****Saved**

According to Carson, by reducing the costs of large size, the state promotes larger-sized enterprises than would exist in a genuinely free, competitive market.

- ☒ True
☐ False

QUESTION 7**0.5 points****Saved**

A 19th Century proponent of railroad interests, Richard Olney, once said about a Federal regulatory commission set up with the proclaimed goal of ending monopolistic activity in the railroad industry:

"The commission... is or can be made, of great use to the railroads. It satisfies the popular clamor for a government supervision of the railroads, at the same time that supervision is almost entirely nominal. Further, the older such a commission gets to be, the more inclined it will be found to take the business and railroad view of things... The part of wisdom is not to destroy the commission, but to utilize it."

This example best illustrates what kind of phenomenon?

- ☐ a. Bailouts
☐ b. Privatization
☐ c. Cartel enforcement
☒ d. Regulatory capture

QUESTION 8**0.5 points****Saved**

Carson and Long disagree with the Corporation documentary in which of the following ways?

- ☒ a. While the documentary argues for more regulations to prevent corporate harms, Carson and Long argue that highly regulated industries will usually lead to more and worse corporate harms.
- ☐ b. While the documentary argues for less government regulation on corporations, Carson and Long think corporations need more governmental regulation since corporations are too free now.
- ☐ c. While Carson and Long argued that corporations should be regulated more, the documentary worried that regulations favor large corporations relative to smaller and/or newer businesses, which allows large corporations to avoid competitive pressures that would otherwise act as a check on corporate misbehavior.
- ☐ d. While Carson and Long argued that corporations should be regulated more, the documentary worried that industry regulations are harder on smaller and/or newer businesses than on big, established corporations.

QUESTION 9**0.5 points****Saved**

According to Long, the conservative right in politics has a tendency to mask corporatist policies in free market language.

☐ True

- ☒ True
☐ False

QUESTION 10**0.5 points****Saved**

In the documentary, Milton Friedman (and the Milton Friedman Choir) argued that the use of corporate funds to pursue social goals (at the expense of shareholders) is an illegitimate infringement of the property rights of shareholders. But both Long and Carson argue that corporations benefit from public resources when state power is wielded on their behalf. Which of the following is most plausible?

- ☐ a. Friedman's criticisms of corporate social responsibility are refuted by the hypocrisy of corporations benefiting from government privilege.
- ☐ b. This involuntary redistribution of public resources towards corporate welfare should also be seen as an illegitimate infringement of property rights -- those of ordinary citizens.
- ☒ c. The benefits of higher levels of GDP and the growth of capital resources justify both prioritizing shareholders over the general public and the use of public resources to subsidize corporations.
- ☐ d. None of the above.

QUESTION 11**0.5 points****Saved**

According to Robert T. Long's article "Corporations versus the Market; or, Whip Conflation Now," which dichotomy leads to the conflation of free markets and corporatism?

- ☐ a. Corporate Power vs. Free Market
- ☐ b. Government controlled monopoly vs. Private controlled monopoly
- ☒ c. Vulger Libertarianism vs. Vulger Liberalism
- ☐ d. None of the above

QUESTION 12**0.5 points****Saved**

What is Carson's solution to the problem of large corporations externalizing all manner of costs onto society?

- ☐ a. The state should legislate a maximum size for corporations.
- ☒ b. Eliminate state policies that promote the interests of corporations.
- ☐ c. The state needs more power to regulate corporations.
- ☐ d. Eliminate markets and opt for centralized state management of the economy.

QUESTION 13**0.5 points****Save Answer**

Long's article on "conflation" notes that proponents of free-market capitalism are accused of supporting policies that are pro-big business. What does Long say about these accusations?

- ☐ a. This is sometimes unfair, because free-market capitalism and policies that promote the interests of big business are not the same thing.

- ☐ b. This is sometimes fair, because some people talk a good game about their principled commitment to competitive free-market capitalism, but their actions and the policies they support suggest that they really only care about the growth of business -- even if that growth is aided by government intervention.
- ☐ c. Neither a. or b.
- ☒ d. Both a. and b.

Click Save and Submit to save and submit. Click Save All Answers to save all answers.

Save All Answers

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