Exam #2

1.(m/c) According to free market theory, the law of supply and demand guarantees all of the following EXCEPT:

a. rewards to the innovative and creative. b. workers will benefit

c. reasonable prices to consumers d. social needs will be met

e. none are exceptions

2.(m/c) All of the following are characteristics of capitalism EXCEPT:

a. private ownership b. pursuit of profit c. competition

d. equality of outcome e. none are exceptions

3.(m/c) Which of the following are means of production?

a. advertising b. machinery c. factories

d. b and c e. all of above

4.(t/f) An economic system determines the division of labor; that is, the types of jobs that are available to workers in a society.

5.(t/f) *Laissez faire* means that the government must not intervene in the market place unless it needs to bailout companies too big to fail.

6.(m/c) All of the following are characteristics of a socialist economic system EXCEPT:

a. public ownership of the means of production b. egalitarianism

c. economy controlled by elites.

d. economic production for social needs.. e. none are exceptions

7.(m/c) All of the following are examples of “wealthfare” EXCEPT:

a. Work Opportunity Tax Credit b. low income housing subsidies

c. public funding of research and development for the pharmaceutical industry.

d. bailout of the financial industry e. none are exceptions

8.(m/c) All of the following have been consequences of monopoly capitalism for workers and families EXCEPT:

a. increase in real household income b. increase in dual worker families

c. increase in household debt d. increase in student debt e. none are exceptions

9.(m/c) The legislation that made monopolies illegal was the:

a. Sherman Anti-Trust Act b. Clayton Act c. Glass-Steagall Act

d. Citizens United ruling e. none of above direct interlocks are not illegal

10.(m/c) All of the following are characteristics of the U.S. economic system EXCEPT:

a. high and increasing concentration of ownership . b. interlocking directorates

c. shared monopolies. d. corporations as legal persons. e. none are exceptions

11.(t/f) Corporations in the U.S. have two legal obligations: first, to make a profit, and second, to create jobs that provide good wages and benefits for workers.

12.(m/c) The financial institution that allows speculators to buy and sell necessary goods over and over, thus artificially inflating the price to consumers is the:

a. New York Stock Exchange b. Commodities Futures Market

c. Chicago Board of Trade d. American Stock Exchange

13.(t/f) Corporations have power over the economy because they own the means of production, are able to eliminate competition, and are able to control supply and demand.

14.(m/c) Corporations have increased their power over workers in all of the following ways EXCEPT:

a. downsizing b. off shoring c. outsourcing

d. automation e. none are exceptions

15.(m/c) In the Daily Show episode, “Fear Factory,” the U.S. company for whom Foxconn was manufacturing products was:

a. Nike b. Microsoft c. Apple d. Wal-Mart e. Disney

16.(m/c) The company that owned aluminum, owned warehouses where it was stored and was able to manipulate the supply of aluminum to artificially raise its price was \_\_\_\_\_\_\_\_.

a. Goldman Sachs b. Lehman Brothers c. Alcoa d. U.S. Steel

17.(m/c) All of the following are characteristics of McJobs EXCEPT:

a. part-time b. increased job security c. no benefits

d. low wages e. none are exceptions

18.(t/f)) McJobs require emotional labor, which refers to the need of the worker to generate emotions he/she doesn’t feel and to repress genuine emotions.

19.(t/f) Mortgage lenders encouraged the housing bubble by giving out sub prime loans which they knew would fail.

20.(m/c) The Deficit Commission establish by the Obama administration recommended that the government do which of the following?

a. stop waging war because it is costly and with no goal in sight, unending.

b. raise tax rates on the rich and corporations.

c. cut back entitlements, like social security and Medicare, to average Americans.

d. a and b e. all of the above

21.(m/c) Which of the following groups has the highest work-related death rates?

a. African-Americans b. Latinos c. Native Americans d. Asian

22.(t/f) According to the text, white collar jobs, as opposed to blue collar jobs, are not alienating.

23.(m/c) The company that employs the most workers in the U.S. is \_\_\_\_\_\_\_\_.

a. McDonalds b. General Electric c. Walmart d. Apple e. Starbucks

24.(m/c) From the late nineteenth century to the mid-1970s, the U.S. economy was \_\_\_\_\_\_\_\_\_\_\_ -based. a. agricultural b. industrial c. technology

25.(m/c) Corporations and the rich have done especially well under the Obama administration. Which of the following are examples?

a. All time record profits in 2010. b. Most cash on hand in last 50 years.

c. Received 95% of income gains between 2009 and 2012.

d. a and c e. all of above

26.(m/c) All of the following were results of the Great Recession EXCEPT:

a. millions of workers lost their jobs. b. millions lost their homes through foreclosures

c. millions of renters were evicted. d. Americans lost over $1 trillion in their 401Ks.

e. none are exceptions

27.(m/c) All of the following were results of the Great Recession EXCEPT:

a. millions lost health care. b. increase in suicides of rich people.

c. millions entered the food stamps program or sought aid through food banks.

d. homelessness increased. e. none of above

28.(t/f) Despite the many negative effects of monopoly capitalism, the average male worker was making more in 2010 when adjusted for inflation than the average male worker did in 1978.

29.(m/c) All of the following are characteristics of an ideal democracy EXCEPT:

a. the people govern collectively. b. power is pluralistic and fluid.

c. citizens must be obedient and loyal to the government and never question it..

d. groups can exercise veto power. e. none are exceptions

30.(t/f) A free press is necessary in a democracy because the people need to be informed in order to make decisions.

31.(t/f) The function of the government is to represent the citizens and promote the general welfare of society.

32.(t/f) Mills’ theory of the power elite argues that the elite manipulate the public

through the mass media.

33.(m/c) According to Mills’ theory, U.S. society is ruled by a power elite composed of

select individuals from all of the following areas EXCEPT:

a. politics b. economy c. religion d. military e. none are exceptions

34.(t/f) Mills argues that the power elite govern by holding the command positions in society.

35.(t/f) According to Mills, the power elite make the “trunk decisions”; these are the

decisions that determine major domestic and foreign policy for the U.S.

36.(t/f) Facebook lobbies to protect its users from legislation that would violate

their privacy.

37. (m/c) Class domination theory argues that an upper class that is both a(n) \_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_ class rules the U.S.

a. political and military b. economic and social c. political and economic

Match the following power network to its primary function for the upper class

38. candidate selection process a. influences legislation

39. special interest process b. controls election outcomes

40. policy planning process c. manufactures consent of the people

41. opinion shaping process d. develops public policy through exclusive organizations

­­­­­­­­­­­­­­**\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

42.(m/c) Which of the following are structural barriers to democracy in the U.S.?

a. the two party system b. Electoral College c. gerrymandering

d. a and b e. all of above

43. (t/f) Historically, U.S. administrations have chosen trickle-down solutions to economic downturns because they have proven to be successful for all Americans.

44.(m/c) According to the Corporation, the \_\_\_\_\_\_\_\_\_\_ Amendment established the precedent that corporations are persons under the law.

a. Twelve b. Thirteenth c. Fourteenth d. Fifteenth e. Nineteenth

45.(m/c) The above Amendment was passed after what war?

a. Revolutionary War b. Civil War c. War of 1812

d. WWI e. WWII

46.(m/c) According to the Corporation, all of the following were original constraints on corporations EXCEPT:

a. they were chartered for a single socially necessary activity.

b. their size was limited.

c. they could only operate in the area in which they were chartered.

d. their shareholders were liable for corporate activity that injured citizens.

e. none are exceptions.

47.(m/c) The documentary Park Avenue shows the influence of two billionaire brothers on the American political system. They are the \_\_\_\_\_\_\_ brothers:

a. Romney b. Buffet c. Koch d. Rockefeller

48.(t/f) Advertising allows corporations to create demand and the most powerful technology for creating demand has been the television which advertisers refer to as the “dream machine.”

49.(t/f) Unions are so powerful politically in the U.S. because over half of the private sector work force belong to them.

50.(m/c) All of the following characterized the economy in the U.S. between WWII and the mid-1970s EXCEPT:

a. an unprecedented economic boom.

b. blue and white collar jobs that paid a middle class wage.

c. higher inequality in wealth and income compared to the present.

d. social contract: business success would be shared with the workers.

e. none are exceptions