Study Guide Exam #1

1. Theory: definition, rules governing theory construction, the scientific method and its assumptions.

2. Theory of Free Market Capitalism

a. Theorists, classical and contemporary, their works and their assumptions about the free market, human beings and economics as a science.

b. Free market theory of Adam Smith: why is capitalism the best economic system and what are the four Laws of the Marketplace? What is the role, if any, of the government?

c. Social Darwinism: theoretical influences, practical and policy implications.

d. Free market theory of Milton Friedman: how does he agree or disagree with Smith, the role of government? What should the policy goals, economic and social, of a free market system be, according to Smith? What is shock therapy and why does he think it is necessary?.

Terms: laissez faire, free wage labor, law of supply and demand, financial infrastructure, deregulation, privatization, shock doctrine, competition, greed, self-interest, pursuit of profit, eugenics, feeble minded..

3. Structural Functionalism

a. Social Context: 1950s Utopian America.

b. Parsons’ Structural Functionalism: functional imperatives, structural systems, positive function of inequality, social system and status role complex.

c. Parsons in common sense terms.

d. Merton’s contributions to structural functionalism: manifest and latent function, dysfunction, unintended consequences, self-fulfilling prophecy.

Terms: nuclear family, subversion, social contract, luxury market, meritocracy, Davis Moore theory, determined action, need disposition, status role complex, latency function, AGIL.

4. C.Wright Mills

a. In Mills’ theory of the power elite who rules, how? And what are the consequences for the individual?

Terms: bureaucracy, bureaucratization, division of labor, specialization, alienation, elite triumvirate, command positions, trunk decisions, moral insensibility.

5. Class domination theory

a. Who belongs to the upper class in America?

b. How does the upper class control the economic system?

c. How does the upper class control the political system?

Terms: power networks, power indicators, shared monopolies, interlocking directorates, outsourcing, off shoring, downsizing, rights sizing, capital flight, Bohemian Grove, Alfalfa Club, special interest process, policy-planning process, candidate selection process, opinion shaping process, think tanks, foundations, front groups, public relations, third person technique, focus groups, lobbying, campaign financing.