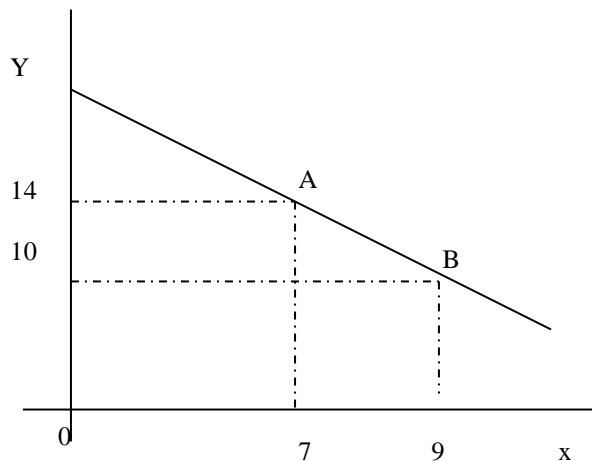**Pre-Quiz**-Due: May 19, 2020 at 11:55pm

One can think of at least four "ages" in economics history: The Stone Age, the Iron Age, the Bronze Age, and the current Oil Age. Which of the following (#1-4) are correct (TRUE) predictions and which are incorrect (FALSE)?

1.   The Stone Age did not end because of a lack of stone. **TRUE**

2.   The Iron Age did not end because of a lack of iron. **TRUE**

3.   The Bronze Age did not end because of a lack of bronze. **TRUE**

4.   The Oil Age will not end because of a lack of oil. **TRUE**

5.   Marijuana, cocaine, and heroin are all smuggled into the US on a regular basis. Therefore, it should be just as easy to smuggle anthrax or smallpox into the US as it is those illegal drugs. (True or False) **TRUE**

6.   The protection of manufacturing jobs should be a primary concern of our political representatives, since manufacturing jobs tend to be high paying jobs, and face the greatest competition from foreign based firms, which can hire workers at much lower salaries.
(T or F) **TRUE**

7.   Consider two alternative economies: In the first, you earn $50,000 per year and everyone else earns $40,000 per year. In the second, you earn $100,000 per year and everyone else earns $200,000 per year. The prices of goods and services are assumed to be the same in both economies. Which economy would you prefer to be a part of?

  a.   I prefer the first alternative.
  b.   I prefer the second alternative.

8.   Consider two alternative scenarios: In the first, you get two weeks vacation every year and everyone else gets one week. In the second, you get four weeks vacation every year and everyone else gets six weeks. Which scenario do you prefer?

  a.   I prefer the first scenario.
  b.   I prefer the second scenario.

9.   The State of Missouri, with help from the federal government, has expanded the number of lanes on I-55 going south from Arnold, MO to Pevely to at least six lanes. This expansion in the number of traffic lanes will:

  a.   Solve any congestion problems south of Arnold on I-55.
  b.   Cause greater congestion south of Arnold on I-55.

10.   Americans consume too many material goods and enjoy too little leisure time. (T or F) **T**

11.   A person's income depends more on "who they know" rather than "what they know." (T or F) **T**

12.   If the trends of the last 50 years continue, we can expect many more environmental related illnesses ten years from now. (T or F) **F**

13.   Corporations are the primary cause of pollution. (T or F) **T**

14.   In our economy today, consumers tend to get the products and services that they want. (T or F) **T**

15.   Which of the following is a better explanation for why people in the U.S. enjoy a higher standard of living relative to people in countries like Liberia, the former Soviet Union, or Iraq?

     a.   The primary reason for the high standard of living in the U.S. is due to superior people.

     b.   The primary reason for the high standard of living in the U.S. is due to a superior system of incentives.

16.   When there are quality differences between similar products, higher prices mean higher quality. (T or F) **F**

17.   Protection of the environment is so important that it should be pursued regardless of the cost. (T or F) **T**

18.   An increase in the minimum wage will help reduce poverty. (T or F) **F**

19.   Consider two activities: smoking 1.4 cigarettes or drinking 30 cans of diet soda. Which of the following is true about those two activities?
     A.   Smoking poses the greater risk.
     B.   Drinking diet soda poses the greater risk.
     C.   The risk of the two activities is about the same.

20.   Which of the following is the most effective way to reduce teen smoking?

     A.   Federal regulations prohibiting smoking before age 20 and requiring a picture I.D. to buy a pack of cigarettes.
     B.   Raising the price of a pack of cigarettes.
     C.   Programs that educate teens about the dangers of smoking.

21.	In the U.S., the percent of income earned by the richest 20% of all households is how many times greater than the percent of income earned by the poorest 20% of all households?

     A.	5 times
     B.	7 times
     C.	10 times
     D.	20 times
     E.	More than 20 times.

22.	After the stock market crash in October of 1929 how many years did it take for stock prices to recover its real value?

     a.	Less than 5 years.
     b.	Between 5 and 10 years.
     c.	Between 10 and 15 years.
     d.	Between 15 and 25 years.
     e.	More than 25 years.

23.	The primary cause of poverty is because employers exploit workers and do not provide decent jobs at living wages. (T or F) **T**

24.	Calculate the slope of the line drawn in the figure below.

     a.	slope= -2.
     b.	slope= 2.
     c.	slope= -0.5.
     d.	slope= -5.

25. Given your answer in 24, what is the value of the vertical intercept?
    a.   14.
    b.   23
    c.   28.
    d.   Not enough information to calculate.

26. Which country produces the largest amount of manufacturing goods by value?
    a.   US
    b.   China
    c.   Japan
    d.   Germany
    e.   India

27. Which country lost more than 10 million jobs in manufacturing since 1990?
    a.   US
    b.   China
    c.   Japan
    d.   Germany
    e.   India

28. Which sport causes the most injuries each year?
    a.   football.
    b.   soccer.
    c.   cheerleading.
    d.   softball.
    e.   gymnastics.

29. Which thing kills more children each year in the US?
    a.   swimming pools.
    b.   guns.

30. The invention of a form of birth control that is cheaper, more effective, and easier to use will result in fewer unwanted pregnancies." T or F. **F**

31. Wal-Mart exploits workers by paying low wages and offering little or no health care benefits. (Agree=T, Disagree=F) **T**

32. In December 2006 three hikers were lost on Mount Hood in Oregon. Should public money be spent on search and rescue efforts for hikers on public lands such as Mount Hood?
    a.   yes
    b.   no

33. Would you be willing to spend a year in prison if it were guaranteed to increase your life expectancy by 18 months?
   a.   yes.
   b.   no.

34. A new study found that by researchers at the Rand Corporation found that people with more years of schooling live longer and in better health. In fact, life expectancy at age 35 was extended by 18 months simply by going to school for one extra year. Students can legally drop out of school at age 16. Should we pass a law increasing the legal age for dropping out of school to age 17?
   a.   yes.
   b.   no.

35. Suppose a hypothetical economy is currently in a deep recession, with personal income falling and unemployment rising. State and local governments in this hypothetical economy are feeling the pinch as tax revenues are falling with the result that spending on public services has to be cut. Given this information would you expect police officers to write more, fewer, or the same number of tickets for actions such as speeding, littering, illegal parking, jay-walking, etc. as they would during an economic boom when tax revenues are rising.

   a.   more.
   b.   fewer.
   c.   the same.

36. New York City Mayor Bloomberg passed a law that limits the size of soft drinks that can be sold in restaurants to 16oz. as a way of combating obesity. Given that drinking soft drinks contributes to obesity, will the law limiting the size of soft enhance people's well-being?
   a.   Yes.
   b.   No.

Your name below signifies that you have read and understand the syllabus and are aware of the test and quiz schedule. Turn only this sheet in to the drop box available at the website.

Name: Sean Poston

Answer Key

1- T	11- T	21- E	31- T
2- T	12- F	22- D	32- A
3- T	13- T	23- T	33- B
4- T	14- T	24- A	34- A
5- T	15- B	25- C	35- C
6- T	16- F	26- B	36- B
7- B	17- T	27- A	
8- B	18- F	28- B	
9- A	19- C	29- A	
10- T	20- C	30- F	