

## **Chapter 01**

### **A Brief Economic History of the United States**

#### **Multiple Choice Questions**

1. The Social Security Program began during the administration of
  - A. Franklin D. Roosevelt.
  - B. Harry S. Truman.
  - C. Dwight D. Eisenhower.
  - D. John F. Kennedy.
  - E. Lyndon B. Johnson.
  
2. Which statement is true?
  - A. A depression followed both World War I and World War II.
  - B. A depression followed neither World War I nor World War II.
  - C. A depression followed World War I, but not World War II.
  - D. A depression followed World War II but not World War I.
  
3. There was full employment in
  - A. 1929 and 1942.
  - B. Neither 1929 nor 1942.
  - C. 1929.
  - D. 1942.
  
4. During the 19th century, the great abundance of land compared to the availability of labor
  - A. attracted millions of immigrants.
  - B. encouraged early marriage and large families.
  - C. encouraged rapid technological development.
  - D. All of the choices are true.

5. Which of the following is true?

- A. The Japanese rebuilt their economy after World War II by selling its goods to their own rapidly growing population.
- B. Slow U.S. population growth in the 19th century forced American farmers and manufacturers to seek foreign markets to propel its rapid economic growth.
- C. The Japanese rebuilt their economy after World War II by targeting the large U.S. market, while their own market remained largely closed to U.S. manufactured goods.
- D. America's rapid population growth in the 19th century slowed its economic growth rate.

6. The completion of the American national railroad network in the second half of the 19th century led to all of the following except

- A. that it enabled manufacturers to sell their products all over the country.
- B. mass consumption.
- C. increased prices of goods sold which led to more investment and more jobs.
- D. higher wages.

7. Between 1939 and 1944 our national output

- A. rose by 50%.
- B. nearly doubled.
- C. rose by 150%.
- D. nearly tripled.
- E. quadrupled.

8. The worst recession since World War II started in which year?

- A. 1953
- B. 1957
- C. 1973
- D. 1981
- E. 2007

9. Which statement is true about the recession of 1990-91?
- A. It was the worst recession we have had since World War II.
  - B. It was the mildest recession we have had since World War II.
  - C. Our recovery from it was one of the strongest since World War II.
  - D. Our recovery from it was one of the weakest since World War II.
10. The early 1930s was a period of
- A. inflation and deflation.
  - B. neither inflation nor deflation.
  - C. inflation.
  - D. deflation.
11. Which of the following explains the slower economic growth in the South compared to other regions of the country?
- A. Much of the South's capital, public and private, was destroyed in the Civil War.
  - B. The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s all bypassed the South.
  - C. The South remained an agricultural region after the Civil War instead of immediately becoming a higher productivity manufacturing region.
  - D. All of the choices are true.
12. Under President Eisenhower we had \_\_\_\_\_ recessions.
- A. no
  - B. one
  - C. two
  - D. three
  - E. four

13. Under President Eisenhower the problem of inflation.

- A. got a lot worse.
- B. got a little worse.
- C. stayed about the same.
- D. got a little better.
- E. got a lot better.

14. The decade that had the most stagflation was the

- A. 1930s.
- B. 1940s.
- C. 1950s.
- D. 1960s.
- E. 1970s.

15. Which statement is true?

- A. In 1900 most Americans still lived on farms.
- B. Except for the stock market, most of our economy was depressed in the 1920s.
- C. There was a depression within three years after World War I.
- D. None of the statements are true.

16. Statement I. President Ronald Reagan said that if we cut tax rates, people would have more incentive to work, output would rise, and inflation would subside.

Statement II. President Reagan presided over the worst recession we have had since World War II.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

17. Which of the following is true?

- A. The completion of the transcontinental railroad system in the 1880s eventually made the United States the world's first mass market.
- B. Southern manufacturers benefited from high protective tariffs of the 19th century that kept out cheaper Japanese manufactured goods.
- C. The canal system linking east-coast rivers with the Great Lakes in the 1820s created an "American economy" rather than just a series of regional economies located in one country.
- D. Agricultural inventions such as John Deere's steel plows did little to improve farm productivity.

18. The name of Andrew Carnegie is most closely associated with

- A. the steel industry.
- B. the rubber industry.
- C. the meatpacking industry.
- D. the chemical industry.
- E. the computer industry.

19. Which was a decade of high inflation and high unemployment?

- A. The 1920s
- B. The 1940s
- C. The 1950s
- D. The 1960s
- E. The 1970s

20. The transcontinental railroads were completed in the 25 years

- A. before the Civil War.
- B. after the Civil War.
- C. after 1890.
- D. after the 20th century began.

21. Each of these were minor recessions except for

- A. 1981–1982.
- B. 1980.
- C. 1990–1991.
- D. 2001.

22. Cyrus McCormick and Eli Whitney were important in the technology of

- A. steel.
- B. automobiles.
- C. agriculture.
- D. oil.
- E. chemicals.

23. Which statement is true?

- A. The United States has a larger national output than any other country in the world.
- B. We have had recessions about every three years since World War II.
- C. There were no recessions while Ronald Reagan was president.
- D. None of the statements are true.

24. Which statement is true?

- A. More than any other region in the nation, the South prospered the most in the years following the Civil War.
- B. The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s, all bypassed the South.
- C. Before the Civil War most of the nation's large farms were located in the North.
- D. None of the choices are true.

25. Between 1836 and 1851 travel time between New York and Chicago was cut from

- A. a month to two days.
- B. a month to a week.
- C. two weeks to one week.
- D. two weeks to two days.

26. The first automobile manufacturer to use a division of labor and to use a moving assembly line was

- A. Henry Ford.
- B. Henry Leland.
- C. Henry Olds.
- D. Andrew Carnegie.
- E. Alfred Sloan.

27. The United States truly became a mass consumption society in

- A. the early 1900s.
- B. the 1920s.
- C. the 1940s.
- D. the 1960s.
- E. the 1980s.

28. The United States emerged from \_\_\_\_\_ with its industrial plant intact.

- A. Both World War I and World War II
- B. Neither World War I nor World War II
- C. World War I, but not World War II
- D. World War II, but not World War I

29. Which statement is true?

- A. Few Americans blamed Herbert Hoover for the Great Depression.
- B. The U.S. experienced a brief depression in the early 1920s.
- C. Most American homes were not wired for electricity until the late 1940s.
- D. None of the choices are true.

30. Between 1921 and 1929 national output

- A. declined slightly.
- B. stayed about the same.
- C. rose slightly.
- D. rose by about 50%.
- E. almost doubled.

31. In the late 1920s, you could buy \$10,000 worth of stock by putting down as little as

- A. \$100.
- B. \$1,000.
- C. \$2,500.
- D. \$5,000.
- E. \$10,000.

32. The Great Depression began in

- A. the second half of 1929.
- B. the middle of 1930.
- C. early 1932.
- D. march 1933.
- E. may 1937.

33. The recovery from the low point of the Great Depression lasted for \_\_\_\_ months.

- A. 12
- B. 25
- C. 50
- D. 90
- E. 125

34. The recession of 1937-38 could be blamed on

- A. both the Roosevelt Administration and the Federal Reserve Board.
- B. neither the Roosevelt Administration nor the Federal Reserve Board.
- C. the Roosevelt Administration, but not the Federal Reserve Board.
- D. the Federal Reserve Board, but not the Roosevelt Administration.

35. There were a huge number of bank failures between

- A. 1930 and 1933.
- B. 1933 and 1936.
- C. 1936 and 1939.
- D. 1939 and 1942.
- E. 1942 and 1945.

36. Which statement is most accurate?

- A. Had the stock market not crashed in 1929, there would have been no business downturn in the early 1930s.
- B. Whether or not the stock market crashed, we definitely would have had a depression anyway.
- C. Had it not been for the speedy and powerful reactions of the administration of Herbert Hoover, the depression would have been much worse.
- D. It was not until the massive arms build-up leading up to our involvement in World War II that we finally began to emerge from the Great Depression.

37. Which statement is true?

- A. We have had at least one recession in the 1940s, 1950s, 1960s, 1970s, 1980s, and 1990s.
- B. We have had at least two recessions in any one decade since World War II.
- C. We have had at least three recessions in all of the decades since World War II.
- D. None of the choices are true.

38. The creation of the dust bowl and the migration of the "Okies" to California took place in the

- A. 1920s.
- B. 1930s.
- C. 1940s.
- D. 1950s.
- E. 1960s.

39. All of the nation's banks were closed in the first week of March, in the year

- A. 1929.
- B. 1930.
- C. 1931.
- D. 1932.
- E. 1933.

40. During the depths of the Great Depression our official unemployment rate reached \_\_\_\_\_ percent.

- A. 10
- B. 15
- C. 20
- D. 25
- E. 30

41. The economic expansion which began in 1933 was due to

- A. The fact that business had hit bottom and was ready to rebound.
- B. The efforts of the Roosevelt Administration to stimulate the economy.
- C. Both the efforts of the Roosevelt Administration and the readiness of business to rebound.
- D. Neither the efforts of the Roosevelt Administration nor the readiness of business to rebound.

42. In 1937–1938, the number of unemployed

- A. fell dramatically by about 5 million.
- B. fell slightly by about 1 million.
- C. rose slightly by about 1 million.
- D. rose dramatically by about 5 million.

43. Which statement is false?

- A. Most jobs in defense plants during World War II were held by white males.
- B. The federal government instituted wage and price controls during World War II.
- C. Very little new housing was built during the Great Depression and World War II.
- D. None of the statements are false.

44. All of the following reflects our current economic situation except

- A. the hourly wage adjusted for inflation is lower than it was in 1973.
- B. our trade deficit, while large, has fallen in the last few years.
- C. our savings rate has fallen to zero.
- D. our federal budget deficit is at a record high.

45. In the years immediately after the American Revolution

- A. both labor and capital were scarce.
- B. neither labor nor capital were scarce.
- C. labor was scarce and capital was plentiful.
- D. capital was scarce and labor was plentiful.

46. An American farmer today feeds over \_\_\_\_\_ people.

- A. 5
- B. 15
- C. 30
- D. 50
- E. 100

47. Between 1850 and 1950 the productivity of the average American farm worker

- A. declined.
- B. remained about the same.
- C. doubled.
- D. quadrupled.

48. Which of the following has been one of the most productive sectors of the U.S. economy through the 19th, 20th and 21st centuries?

- A. Textiles
- B. Steamships
- C. Steel
- D. Agriculture

49. Since World War II, about \_\_\_\_\_ out of every ten family farms have disappeared.

- A. one
- B. three
- C. five
- D. seven
- E. nine

50. Of all the money spent on farm price supports, about \_\_\_\_\_ percent goes to large corporate farms.

- A. 10
- B. 25
- C. 50
- D. 75
- E. 95

51. Henry Ford

- A. was the second automobile manufacturer to use a moving assembly line.
- B. was the first automobile manufacturer to manufacture a standardized engine with interchangeable parts.
- C. sold millions of cars at a small unit of profit that allowed his company to keep auto prices low and wages high.
- D. all of the statements are true.

52. Which statement is the most accurate?

- A. There are virtually no Americans who go hungry.
- B. There are a few Americans who go hungry.
- C. There are millions of Americans who go hungry.
- D. About one third of Americans go hungry.

53. Which statement is most accurate with respect to the federal government's land policies in the 19th century?

- A. It gave away land, and rarely if ever charged even a token amount per acre.
- B. It gave away a lot of land and charged a token amount for the rest.
- C. It gave away no land, but charged only a token amount.
- D. It charged a fairly substantial amount for the land it sold.

54. Which statement is false?

- A. Before the Civil War about three quarters of the farms of over 500 acres were located in the South.
- B. The great abundance of land was the most influential factor in our economic development during the 19th century.
- C. Although the percentage of Americans living on farms has declined substantially over the last 70 years, the actual number of people living on farms has remained constant.
- D. None of the statements are false.

55. Each of the following was an effect of cheap or free land during the 19th century except

- A. a high marriage rate.
- B. a high birth rate.
- C. a high rate of immigration.
- D. a rapid rate of technological development.
- E. a high rate of migration from the farms to the cities.

56. Basically our high rate of population growth since the time of George Washington's presidency

- A. has been a drag on our rate of economic growth.
- B. pushed up our rate of unemployment.
- C. created a growing problem of not enough food to feed everyone.
- D. provided a market for our farmers and manufacturers.

57. Southern agriculture differed markedly from agriculture in the rest of the country before the Civil War in each of these respects EXCEPT

- A. it had, on the average, larger farms.
- B. it had slavery.
- C. it had different major crops.
- D. it had more subsistence farming.

58. From 1865 to 1900, the production of wheat, corn, and cotton

- A. increased much more slowly than population growth.
- B. increased somewhat more slowly than population growth.
- C. increased at about the same pace as population growth.
- D. increased faster than population growth.

59. The mechanical reaper was invented by

- A. Eli Whitney.
- B. The Marsh brothers.
- C. John Deere.
- D. Cyrus McCormick.

60. The American economy is \_\_\_\_\_ economy in the world today.

- A. the largest and the fastest growing
- B. neither the largest nor the fastest growing
- C. the largest, but not the fastest growing
- D. the fastest growing, but not the largest

61. Inflation adjusted hourly wages for the average hourly worker is \_\_\_\_\_ today than it was in 1973.

- A. higher
- B. lower
- C. about the same

62. Which is the most accurate statement about the recessions we have had since World War II?

- A. They have all been very mild.
- B. They have all been very severe.
- C. Three have been very severe.
- D. None have been severe.

63. Which statement is most accurate?

- A. Aside from some large federal budget deficits, the economic record left by the Reagan Administration was an almost complete success.
- B. While the downside of the Reagan years were huge budget and trade deficits, the good news was the decline of double-digit inflation.
- C. The Reagan Administration's policies had virtually no effect on the economic performance during the 1980s.
- D. The Reagan Administration was a complete failure from an economic standpoint.

64. The New Deal was the economic program of

- A. Herbert Hoover.
- B. Franklin D. Roosevelt.
- C. Dwight D. Eisenhower.
- D. Lyndon B. Johnson.
- E. Ronald Reagan.

65. The New Deal

- A. may be summarized by these words: relief, recovery, and reform.
- B. introduced Medicare and Medicaid.
- C. succeeded in quickly ending the Great Depression.
- D. reduced the economic role of the federal government.

66. Who said the nation was "ill-fed, ill-clothed, and ill-housed?"

- A. Herbert Hoover
- B. Franklin D. Roosevelt
- C. Lyndon B. Johnson
- D. Jimmy Carter
- E. Ronald Reagan

67. Comparing the United States economy in 1900 with our economy today, all of the following are still present EXCEPT

- A. large agricultural surpluses.
- B. an abundance of entrepreneurial ability.
- C. "cutting edge" technological progress.
- D. a positive balance of trade with the rest of the world.

68. Each of the following were created under the New Deal EXCEPT

- A. Social Security.
- B. the Federal Deposit Insurance Corporation (FDIC).
- C. the Securities and Exchange Commission (SEC).
- D. food stamps.

69. Inflation was the nation's number-one economic worry during

- A. the 1920s.
- B. 1930s.
- C. the late 1950s.
- D. the early 1960s.
- E. the 1970s.

70. Which statement is the most accurate?

- A. Business activity in 1929 began to decline a few months before the stock market crash.
- B. The stock market crashed a few months before business activity began to decline.
- C. The stock market crashed at virtually the same time that business activity began to decline.
- D. None of these statements are accurate.

71. Which statement is false?

- A. Had the stock market not crashed and the rest of the world not gone into a depression, the U.S. depression might have been avoided.
- B. By the end of 1930 thousands of banks had failed.
- C. By the first week in March 1933 every single bank in the United States had shut its doors.
- D. None of the statements are false.

72. The low point of the Great Depression was reached in the year

- A. 1929.
- B. 1931.
- C. 1933.
- D. 1935.
- E. 1937.

73. Who promised "two cars in every garage and a chicken in every pot?"

- A. Herbert Hoover
- B. Franklin D. Roosevelt
- C. Dwight D. Eisenhower
- D. John F. Kennedy
- E. Ronald Reagan

74. Choosing from among the following, the worst recession was in

- A. 1937–1938.
- B. 1980.
- C. 1990–1991.
- D. 2001.

75. For all intents and purposes, the Great Depression ended in

- A. 1933.
- B. 1937.
- C. 1941.
- D. 1945.
- E. 1950.

76. Of the 2.2 million working farms in the U.S., \_\_\_\_\_ of them produce more than \$5,000 worth of agricultural products.

- A. one quarter
- B. half
- C. three quarters
- D. one third

77. Agricultural prices fell during each of these periods EXCEPT

- A. 1865–1900.
- B. 1900–1919.
- C. 1929–1933.
- D. There is no exception. Agricultural prices fell in all these time periods.

78. Which statement is true?

- A. There was brief depression in the early 1920s.
- B. Between 1921 and 1929 national output tripled.
- C. The automobile market was completely saturated by 1921 and sales remained low for the rest of the decade.
- D. None of these statements are true.

79. Which statement is false?

- A. The spreading use of electricity during the 1920s helped create rapid economic expansion in that decade.
- B. The stock market rose very rapidly in the late 1920s.
- C. Between 1921 and 1929 national output rose by 50 percent.
- D. None of the statements are false.

80. The most rapid expansion in the use of electricity was in the period from

- A. 1900-1910.
- B. 1910-1920.
- C. 1920-1930.
- D. 1930-1940.

81. The most accurate appraisal of the American economy early in the 21st century would be that we

- A. had the largest economy in the world with no major economic problems.
- B. had the largest economy in the world, but were faced with some major economic problems.
- C. did not have the largest economy in the world, and had no major economic problems.
- D. did not have the largest economy in the world and did face some major economic problems.

82. In which of these years was there very high inflation and a recession?

- A. 1937
- B. 1980
- C. 1990
- D. 2001

83. The heart of the supply-side economic program was to

- A. raise taxes.
- B. lower taxes.
- C. raise government spending.
- D. put people to work in government jobs.

84. The highest unemployment rate we experienced since the Great Depression was in

- A. 1973.
- B. 1982.
- C. 1990.
- D. 2001.

85. About how many Americans still live on farms today?

- A. 4.5 million
- B. 14.5 million
- C. 24.5 million
- D. 34.5 million
- E. 45.5 million

86. Which statement is true?

- A. The number of people living on family farms has been increasing in recent years.
- B. Most farm subsidy payments go to large corporate farms.
- C. Our huge agricultural surpluses have completely eliminated starvation in this country.
- D. None of the statements are true.

87. Since the government has been paying out farm subsidies

- A. the number of family farms has increased by about 40 percent.
- B. the number of family farms has increased slightly.
- C. the number of family farms has decreased slightly.
- D. the number of family farms has decreased by 70 percent.

88. Which statement is true?

- A. America has always had a very productive agricultural sector.
- B. The most influential factor in our economic development during the 19th century was a great abundance of labor.
- C. The central problem of economics is an oversupply of capital.
- D. None of the statements are true.

89. Which statement is false?

- A. Between 1789 and 1812 our population doubled.
- B. Between 1812 and 1835 our population doubled.
- C. Between 1835 and 1858 our population doubled.
- D. None of the statements are false.

90. Which statement is true?

- A. All regions of the United States were primarily agricultural in 1865.
- B. Only the South was primarily agricultural in 1865.
- C. Only the North and West were primarily agricultural in 1865.
- D. None of the statements are true.

91. Which region's agricultural system developed very differently from that of the rest of the nation?

- A. The West
- B. The Midwest
- C. New England
- D. The South

92. The "Okies" were associated with each of these EXCEPT

- A. the Dust Bowl.
- B. John Steinbeck's *The Grapes of Wrath*.
- C. the Great Depression.
- D. the rust belt.

93. Which one of the following would be the most accurate description of our economy since the beginning of the new millennium?

- A. We have had virtually no economic problems.
- B. We are in the worst economic downturn since 1945.
- C. Aside from the federal budget deficit, we have no major economic problems.
- D. Our unemployment rates have been the lowest since World War II.

94. Compared to our economic history between 1879 and 1945, our economic history since 1945 could be considered.

- A. much more stable.
- B. about as stable.
- C. much less stable.

95. The second half of the 1940s was a period of

- A. recession.
- B. no economic growth.
- C. very slow economic growth.
- D. fairly high economic growth.

96. Highway and home construction had a boom from

- A. 1925–1940.
- B. 1935–1950.
- C. 1945–1960.
- D. 1965–1980.
- E. 1975–1990.

97. When General Dwight D. Eisenhower ran for the presidency for the first time, he said he would

- A. end the recession and end inflation.
- B. end the recession and end the Korean War.
- C. end inflation and end the Korean War.
- D. end the recession, the Korean War, and inflation.

98. Which statement is false?

- A. Suburbanization was the migration of tens of millions of middle-class Americans—nearly all of them white—from the cities to the suburbs.
- B. The people who moved to the suburbs were replaced in the cities by millions of poor people, the large majority of whom were black and Hispanic.
- C. The inner cities today are socially isolated from the rest of the country.
- D. None of these statements are false.

99. The suburbanization of America \_\_\_\_\_ our dependence on oil imports.

- A. increased substantially
- B. had no effect on
- C. decreased substantially

100. Statement I. The late 1940s and the 1950s were one big construction boom.

Statement II. The Japanese had captured nearly 20 percent of the U.S. car market by the early 1950s.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

101. Which statement is more accurate?

- A. There is virtually no poverty in the United States.
- B. There are a few pockets of poverty in America, but in most of the country there are no signs of poor people.
- C. One effect of the global economy has been the loss of many jobs of various skill levels.
- D. Nearly one half of all Americans are below the poverty line.

102. Which statement is true?

- A. Mass production can take place without mass consumption.
- B. Mass consumption can take place without mass production.
- C. Mass production can take place without mass consumption and mass consumption can take place without mass production.
- D. Mass production cannot take place without mass consumption, nor can mass consumption take place without mass production.

103. As a manufacturer becomes a mass producer, generally productivity \_\_\_\_\_ and wage rates \_\_\_\_\_.

- A. falls, fall
- B. rises, rise
- C. rises, fall
- D. falls, rise

104. Which is the most accurate description of Japanese reindustrialization after World War II?

- A. Japanese manufacturers concentrated almost entirely on selling to the Japanese home market.
- B. Japanese manufacturers charged twice as much to Americans as to Japanese for the same products.
- C. Japanese manufacturers charged the Japanese twice as much as the Americans for the same products.
- D. Japan concentrated on supplying the American market with luxury items that were not being produced in the United States.

105. Which statement is true?

- A. The recessions of 1973–1975 and 1981–1982 were both mild.
- B. The recessions of 1973–1975 and 1981–1982 were both severe.
- C. The recession of 1973–1975 was mild; the recession of 1981–1982 was severe.
- D. The recession of 1973–1975 was severe; the recession of 1981–1982 was mild.

106. Which statement is true?

- A. The recessions of 2001 and 2007–2009 were both mild.
- B. The recessions of 2001 and 2007–2009 were both severe.
- C. The recession of 2007–2009 was mild; the recession of 2001 was severe.
- D. The recession of 2001 was mild; the recession of 2007–2009 was severe.

107. Among the key ingredients that propelled the American economy to emerge as the leading industrial power by the beginning of World War I were

- A. technological talent.
- B. the world's first universal public education system.
- C. a large agricultural surplus.
- D. entrepreneurial abilities of great industrialists.
- E. all of the choices are true.

108. In the decades leading to the Civil War \_\_\_\_\_ supported high protective tariffs.

- A. both the North and the South
- B. neither the North nor the South
- C. only the North
- D. only the South

109. Economic conflict(s) leading to the Civil War \_\_\_\_\_.

- A. were over tariffs and the extension of slavery into the new territories
- B. was the growing free trade with England
- C. was Abraham Lincoln freeing the slaves
- D. None of the choices are true

110. In the decades before the Civil War, the South \_\_\_\_\_.
- A. opposed the extension of slavery into the territories
  - B. supported the extension of slavery into the territories
  - C. cooperated with the North to establish both free and slavery territories
  - D. None of the choices are true
111. What caused the major economic conflict between the North and the South immediately before the outbreak of the Civil War?
- A. Agricultural development.
  - B. Industrialization in the North.
  - C. Trade barriers with England.
  - D. All of the choices are true.
112. The Southern economy \_\_\_\_\_ from the damages of the Civil War.
- A. quickly recovered
  - B. experienced no lingering effects
  - C. suffered decades of economic transition
113. During World War II our economy grew by about \_\_\_\_\_ percent a year.
- A. 5
  - B. 10
  - C. 15
  - D. 20
  - E. 25
114. The prototype of suburban tract development was in
- A. Newton, Massachusetts.
  - B. San Luis Obispo, California.
  - C. Camden, New Jersey.
  - D. Butte, Montana.
  - E. Levittown, New York.

115. \_\_\_\_\_ sold low-priced, prefabricated homes to people who wanted to move to the suburbs after World War II.

- A. Andrew Carnegie
- B. William Levitt
- C. Henry Ford
- D. Cyrus McCormick

116. Statement I. William Levitt and other suburban developers were guilty of housing discrimination in the years after World War II.

Statement II. The suburbanization of the country did not really get rolling until the 1970s.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

117. There are \_\_\_\_\_ family farms today than at any previous time in our history.

- A. more
- B. fewer
- C. about the same number of

118. Which statement best compares our economic condition in 1933 and today?

- A. We were much better off in 1933.
- B. We are much better off today.
- C. Economic conditions were about the same.

119. Our economy was most depressed in

- A. 1923.
- B. 1933.
- C. 1943.
- D. 1953.
- E. 1963.

120. The world's number one economic power, in terms of total output, is

- A. the United States.
- B. Germany.
- C. China.
- D. Japan.

121. Which statement is false?

- A. The 1990s was one of the most prosperous decades in our history.
- B. Our economy reached its tenth year of steady expansion in the spring of 2001.
- C. Compared to other decades, the 1990s was a decade was unique in that it had strong economic growth with no recessions.
- D. At the end of the 1990s, the government was running budget surpluses.

122. Which statement is true?

- A. Our economy is larger than Japan's and our population is larger than Japan's.
- B. Our economy is smaller than Japan's and our population is smaller than Japan's.
- C. Our economy is larger than Japan's and our population is smaller than Japan's.
- D. Our economy is smaller than Japan's and our population is larger than Japan's.

123. Statement I. The generation that came of age in the 21st century did better economically than their parents' generation.

Statement II. The American economic picture was brighter in the 1980s than the 1990s.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

124. Statement I. Small farmers can still easily survive thanks to government programs.

Statement II. During the 19th century, the U.S. government gave away 160-acre plots of land to anyone willing to clear the land and farm on it.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

125. Which presidential candidate made this pledge: "Read my lips: no new taxes"?

- A. Richard Nixon (1968)
- B. Gerald Ford (1974)
- C. Jimmy Carter (1976)
- D. Ronald Reagan (1980)
- E. George H.W. Bush (1988)

126. Statement I. In the future the bulk of our food will be grown on huge corporate farms.  
Statement II. The primary purpose of price-support payments to farmers was to save the family farm.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

127. Which is the most accurate statement?

- A. The number of family farms has been increasing since 1960.
- B. Nearly 20 million Americans live on farms today.
- C. The output of farm labor doubled between 1900 and 1947, and doubled again between 1947 and 1960.
- D. Today one farmer feeds about 20 people.

128. Which is the most accurate statement?

- A. In the years after World War II, millions of blacks moved to the suburbs.
- B. No new homes were sold to black families in the Levittowns built in New York, New Jersey, Pennsylvania, and Maryland.
- C. Today most of the communities built by the Levitt family are overwhelmingly black.
- D. Although racial discrimination did take place in housing in the years immediately after World War II, by the early 1960s it was no longer taking place.

129. In the 1970s, the main economic problem was

- A. stagflation.
- B. huge budget surpluses.
- C. a slow growing money supply.
- D. an economy that was expanding too rapidly.

130. Which president had to cope with both rising deficits and a rising rate of inflation?

- A. John Kennedy
- B. Dwight Eisenhower
- C. Jimmy Carter
- D. Ronald Reagan

131. Statement I. President Ronald Reagan said that if we cut tax rates, people would have more incentive to work, output would rise, and inflation would subside.

Statement II. President Reagan said big government is not the answer to our problem, it is the problem.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

132. The longest and most severe of these recessions was in

- A. 2007 – 2009.
- B. 1990–1991.
- C. 1960–1961.
- D. 1953–1954.

133. Statement I. The baby boom after World War II, along with low gas prices, accelerated the trend toward suburbanization.

Statement II. The Japanese and West German industrial production was so damaged or destroyed after World War II that it wasn't until 1960 that these nations could effectively compete in the world market.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

134. Which is the most accurate statement?

- A. The administration of President Dwight Eisenhower undid much of what remained of the New Deal.
- B. After taking office, President Eisenhower made good on his pledge to end inflation.
- C. Suburbanization was halted during the Eisenhower Administration.
- D. There were no recessions during the Eisenhower Administration.

135. What was the most important consequence of suburbanization?

- A. It made people less dependent on their cars.
- B. It was very bad for the construction industry.
- C. It left the cities with large concentrations of poor people.
- D. It raised the tax bases of most cities.

136. Statement I. Suburbanization increased our dependence on foreign oil.

Statement II. Once returning World War II veterans found new housing in the suburbs, the process of suburbanization came to a halt.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

137. Statement I. The New Deal brought the nation back to full employment within four years.

Statement II. The Social Security program was part of the New Deal.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

138. Statement I. There was a sharp recession in 1937–1938.

Statement II. In 1933 our unemployment rate was about 25 percent.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

139. What got our economy out of the Depression in the early 1940s?

- A. The New Deal
- B. A tax cut
- C. Spending on the war
- D. Suburbanization

140. Which statement is true?

- A. There were no recessions during the 1980s.
- B. The 1920s was not a prosperous decade.
- C. The federal government played a significant role during Dwight Eisenhower's presidency.
- D. The longest recession since World War II began in 1990.

141. In early 2010 there were \_\_\_\_\_ Americans working than there were 10 years earlier.

- A. more
- B. fewer
- C. the same number of

142. Which statement is true?

- A. In 1900 most Americans lived on farms.
- B. Our nation's industrial base was largely destroyed by World War I.
- C. John D. Rockefeller controlled the U.S. automobile industry during the first two decades of the 20th century.
- D. Andrew Carnegie was the leading steel producer in the U.S. in 1900.

143. Statement I. The Roaring Twenties began and ended with depressions.

Statement II. Although there was a stock market boom in the 1920s, most Americans experienced a declining standard of living during the entire decade.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

144. The New Deal was carried out during the administration of President

- A. Herbert Hoover.
- B. Franklin Roosevelt.
- C. Harry Truman.
- D. Dwight Eisenhower.
- E. Lyndon Johnson.

145. In the first week in March 1933, \_\_\_\_\_ banks had shut their doors.

- A. no
- B. a few
- C. nearly half
- D. most
- E. all

146. The most important factor in reversing the economic decline of 1929–1933 was that

- A. the federal government finally balanced its budget.
- B. the stock market began to rise.
- C. people became more optimistic.
- D. the federal government began to spend a huge amount of money.

147. Which statement is false?

- A. During the 19th century the main cash crops grown in the South were cotton, rice, sugar, and tobacco.
- B. The only real economic conflict between the North and the South before the Civil War was over slavery.
- C. It took most parts of the South about a century to recover economically from the effects of the Civil War.
- D. Southern agriculture developed very differently from agriculture in other regions of the nation.

148. Which one of the following was the strategy followed by Japanese industrialists after World War II?

- A. They sold low-priced goods to the low end of the American market while they rebuilt their industrial base.
- B. They charged Japanese consumers much lower prices than they charged American consumers, since Americans could afford to pay more for these goods.
- C. They sold high-priced goods to the high end of the American market, leaving the low end to Korea and Taiwan.
- D. They received tens of billions of dollars in aid from the U.S. government and have still not paid back a penny.

149. Which one of the following was a basic economic conflict between the North and the South in the years preceding the Civil War?

- A. The North opposed the high protective tariffs the South supported to protect its manufactured goods.
- B. The South opposed the high protective tariffs the North supported to protect its manufactured goods.
- C. The North demanded the abolition of slavery.
- D. The North opposed the building of a transcontinental railroad.

150. In 1860 four-fifths of the farms with over 500 acres were in the

- A. North.
- B. East.
- C. South.
- D. West.

151. For most of the 19th century in the American West, there was

- A. an abundance of labor relative to land.
- B. abundance of land relative to labor.
- C. an abundance of both labor and land.
- D. a scarcity of both labor and land.

152. The Age of the great industrial capitalist was

- A. the last quarter of the 18th century.
- B. the first quarter of the 19th century.
- C. the second quarter of the 19th century.
- D. the third quarter of the 19th century.
- E. the fourth quarter of the 19th century

153. The U.S. did not lapse back into a depression after World War II ended for all of the following reasons EXCEPT

- A. a larger role taken on by the federal government.
- B. pent up demand for housing and automobiles.
- C. government programs that aided the trend toward suburbanization.
- D. a return to laissez-faire economic policies.

154. The United States experienced depressions in all of the following decades except

- A. the 1890s.
- B. the 1920s.
- C. the 1930s.
- D. the 1950s.

155. Which of the following decline in output in the U.S. since 1870 resulted in the largest percentage decline in output?

- A. The depression of the 1890s.
- B. The 1973-75 recession.
- C. The depression of the 1930s.
- D. The 2007-2009 recession.

156. Which of the following would not be considered a boom period as measured by the percentage growth rate of U.S. output of goods and services?

- A. The Roaring 20s
- B. The conversion from a wartime to a peacetime economy following World War II
- C. World War II
- D. The late 1990s

157. What was the most influential factor in our economic development during the 19th century?

- A. The abundance of capital
- B. The abundance of labor
- C. Mass production
- D. The abundance of land

158. The South's economy was based on production of

- A. iron, steel and textiles.
- B. corn, wheat and soybeans.
- C. tobacco, cotton and rice.
- D. iron, wheat and cotton.

159. Which of the following is false?

- A. The completion of the national railroad network by 1890 led to the development of a national American market rather than just a series of smaller regional markets.
- B. Before the Civil War the North and the South were in agreement on the issue of protective tariffs, but were in conflict over the spread of slavery into the new Western territories.
- C. The U.S. was the first mass-consumption society.
- D. From 1900 to the end of World War I, U.S. farmers prospered.

160. Economic growth was stimulated by suburbanization

- A. in the first five years after World War II.
- B. in the 15 years following World War II.
- C. from the mid 1960s to the mid 1970s.
- D. after the Persian Gulf War.

161. In which of the following decades did the American government take a more "hands off" or "let it alone" approach in its role in the economy?

- A. 1980s
- B. 1970s
- C. 1940s
- D. 1930s
- E. 1920s

162. The United States experienced \_\_\_\_\_ from 1930 to 1933.

- A. stagflation
- B. inflation
- C. deflation
- D. budget surpluses

163. Today farms with sales of more than \$250,000 a year account for about \_\_\_\_\_ percent of all agriculture sales.

- A. 5
- B. 25
- C. 50
- D. 75
- E. 95

164. In which year did the United States account for half the world's manufacturing output?

- A. 1925
- B. 1945
- C. 1965
- D. 1985
- E. 2005

165. World War II veterans benefited from each of these programs except

- A. VA mortgage loans.
- B. the GI bill of rights.
- C. the construction of the national highway network.
- D. the ending of housing discrimination in the late 1940s.

166. Which is the most accurate statement?

- A. The problem of hunger has been virtually eliminated in the United States.
- B. Farmers are less productive today than they were 40 years ago.
- C. The 1990s will go down in history as one of the most prosperous decades since the founding of the republic.
- D. Oil prices declined in 1973.

167. Each of the following took place in the latter half of the 1990s except

- A. a declining federal budget deficit.
- B. a declining unemployment rate.
- C. the spread of computerization.
- D. a rising rate of inflation.

168. Each of the following took place in the latter half of the 1990s except

- A. a falling rate of inflation.
- B. a rising stock market.
- C. an economic boom.
- D. a rising unemployment rate.

169. The symbiotic relationship between mass production and mass consumption was best personified by

- A. John D. Rockefeller.
- B. Andrew Carnegie.
- C. Henry Ford.
- D. John Deere.

170. Which of the following best describes the state of agriculture at the present time?
- A. Things have never been better, especially for the small farmer.
  - B. The small farmer is selling an increasing percentage of farm output.
  - C. American farms are so productive that the U.S. often exports one-third of its corn, wheat and other crops.
  - D. There has been a substantial shift of population back to the farms.

171. Which of the following statements is true?
- A. The average farm has gone from 500 acres in the 19th century to 100 acres today.
  - B. The Freedom to Farm Act of 1996 ended government payments to farmers.
  - C. Despite hundreds of billions of dollars on farm price-support payments since World War II, the family farm is vanishing.
  - D. About 20 million people live on farms today.

172. Which of the following is true?
- A. Twenty-five percent of Americans were officially unemployed in 1933.
  - B. Our economy expanded steadily from 1933 to 1937.
  - C. Once the Great Depression began in 1929, our economy moved steadily downhill until 1933.
  - D. All of the choices are true.

173. Which statement is false?
- A. The rate of inflation rose during the Eisenhower Administration.
  - B. Our economy has not had an unemployment rate below 5 percent since the early 1940s.
  - C. President Reagan believed the federal government should "tax, tax, tax, spend, spend, spend", its way to prosperity.
  - D. All of the statements are false.

174. Which statement is false?
- A. President Eisenhower presided over three recessions.
  - B. At the close of the 20th century the unemployment rate was below 5 percent.
  - C. Our longest economic expansion was for six years during the Reagan Administration.
  - D. None of the choices are false.

175. Which statement is true?

- A. There was a great deal of stagflation in the 1960s.
- B. We had full employment for most of the 1980s.
- C. We have had twelve recessions since the beginning of 1945.
- D. None of the choices are true.

176. Which statement is true?

- A. There was a great deal of stagflation in the 1970s.
- B. We had the worst recession since World War II in the late 2000s.
- C. We have had twelve recessions since January, 1945.
- D. All of the choices are true.

177. Which of the following was an element of the New Deal?

- A. Wage and price controls
- B. Unemployment insurance and bank deposit insurance
- C. Regulation of the stock market
- D. Unemployment insurance, bank deposit insurance, and regulation of the stock market, but not wage and price controls

178. In which of the following years was there a recession?

- A. 1942
- B. 1950
- C. 1965
- D. 1973

179. Which of the following statements is false?

- A. In the early 19th century, the United States suffered from a scarcity of labor-relative to land.
- B. At the time of the American Revolution, about nine of every ten Americans lived on a farm.
- C. The transcontinental railroads completed in the 1880s brought railroads to every region of the country.
- D. Between 1939 and 1944, federal government spending rose by 400 percent.

180. Which of the following statements is false?

- A. The recession of 2001 was mild.
- B. Output in the United States fell by about one-half between 1929 and 1933.
- C. The inflation rate declined during the Eisenhower and Reagan administrations.
- D. The unemployment rate was less than 3 percent in 1944.
- E. None of these statements are false

181. Which of the following statements is true?

- A. There was a great deal of stagflation in the 1930s.
- B. The inflation rate fell during the Eisenhower Administration, but rose during the Reagan years.
- C. Output in the United States fell by about one-third between 1929 and 1933.
- D. The Medicare and Medicaid programs were inaugurated during the New Deal.

182. Which statement is true?

- A. President Eisenhower did not attempt to undo the legacies of the New Deal, such as Social Security and unemployment insurance.
- B. There was a major tax increase in 1964.
- C. A war in Vietnam and a "war on poverty" in the Johnson Administration helped to reduce the federal budget deficit.
- D. None of the choices are true.

183. During George W. Bush's presidency

- A. the job market was quite robust.
- B. our federal budget deficit hit a record high.
- C. the federal budget surpluses in the last years of the Clinton presidency continued.
- D. we experienced a very high inflation rate.

184. Which of the following is false?

- A. The U.S. has had twelve recessions since January 1945.
- B. The U.S. has had a great deal of stagflation in the 1970s.
- C. The U.S. has not had a depression since the 1930s.
- D. The U.S. had rising inflation all throughout the 1990s.

185. Which statement is true?

- A. Subsidy payments to farmers were almost completely phased out in 2007.
- B. The so-called new economy of the 1990s was neither new, nor very different from the economy of the previous 25 years.
- C. Until the time of the Great Depression, the United States was primarily an agricultural nation.
- D. There were no recessions during the presidency of Bill Clinton (January 1993–January 2000).

186. Which of the following describes what happened to the economy of the South after the Civil War?

- A. The South, with the aid of new capital investment, public and private, became industrialized two decades after the Civil War.
- B. The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s played a key role in the industrialization of the South in the 1880s and 1890s.
- C. The South remained the poorest region in the country until the growth of the Sun Belt took off in the 1960s.
- D. The South remained a largely agricultural section of the economy until the 21st century.

187. Which of the following is true?

- A. The completion of the transcontinental railroad system in the 1880s eventually made the United States the world's first mass market.
- B. Southern manufacturers were hurt by the high protective tariffs of the 19th century that kept out cheaper British manufactured goods.
- C. The national railroad network created an "American economy" rather than just a series of regional economies located in one country.
- D. Agricultural inventions such as John Deere's steel plows greatly improved farm productivity.
- E. All of the choices are true.

188. Ransom E. Olds

- A. was the first automobile manufacturer to use a division of labor and an assembly line.
- B. was the first automobile manufacturer to manufacture a standardized engine with interchangeable parts.
- C. sold millions of cars at a small unit of profit that allowed his company to dominate the industry.
- D. All of the choices are true.

189. Comparing the United States economy in the 1920s with the economy in the 1990s, all of the following were similar EXCEPT

- A. both decades had strong economic expansion.
- B. both decades had soaring stock markets.
- C. both decades had rapid technological progress.
- D. both decades had the federal government take a laissez-faire approach to the economy.

190. Comparing the United States economy in the 1920s with the economy in the 1990s, both decades

- A. had slow economic growth.
- B. had a lack of any government regulation of the stock market.
- C. suffered from economic depressions.
- D. had soaring stock markets.

191. The longest economic expansion on record lasted

- A. almost five years
- B. almost six years
- C. nine years
- D. ten years
- E. almost twelve years

192. Which of the following wars consumed almost half of our nation's total output?

- A. The Civil War
- B. World War I
- C. World War II
- D. The Vietnam War

193. The United States experienced a depression in which of the following decades?

- A. The 1920s
- B. The 1940s
- C. The 1950s
- D. The 1970s

194. Which of the following was NOT a time period in which output in the U.S. sharply rose?

- A. World War I
- B. The Roaring Twenties
- C. The early 1930s
- D. The 1960s
- E. The late 1990s

195. Statement I: Over the last two or three decades, our economy has become increasingly integrated with the global economy.

Statement II: While the global economy has caused the loss of millions of manufacturing jobs, so far white-collar jobs have not moved offshore.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

196. In the 1990s our economy generated more than \_\_\_\_\_ million additional jobs.

- A. 5
- B. 10
- C. 15
- D. 20

197. Which of the following was considered a mild recession?

- A. 1937–1938
- B. 1973–1975
- C. 1981–1982
- D. 1990–1991

198. Which of the following is false?

- A. The completion of the national railroad network by 1890 led to the development of a national American market rather than just a series of smaller regional markets.
- B. Northern manufacturers benefited from high protective tariffs, which kept out cheaper British goods.
- C. The U.S. was the first mass-consumption society.
- D. Aside from slavery, southern and northern agriculture were very similar.

199. The massive shift of population and industry out the large central cities from the late 1940s through the 1960s was caused by

- A. terrorist attacks.
- B. the mechanization of agriculture.
- C. suburbanization.
- D. the widespread use of electricity.
- E. fear of nuclear war.

200. In the late 1920s, you could buy \$5,000 worth of stock by putting down as little as

- A. \$100
- B. \$200
- C. \$500
- D. \$1,000
- E. \$2,500

201. Which of the following factors was NOT responsible for the decline in farmers as a percent of the U.S. population from after the Civil War to 1900?

- A. Falling prices for corn, wheat, and cotton
- B. The demand for food outstripped supply
- C. New technology
- D. The government's liberal land policy that increased output

202. The recession of 1937-38 could be blamed on

- A. the Roosevelt Administration's deficit spending.
- B. the Roosevelt Administration's attempt to balance the budget.
- C. the Federal Reserve's driving down interest rates.
- D. a large tax cut.

203. Henry Leland

- A. was the first automobile producer to use the movable assembly line.
- B. was the first automobile producer to manufacture a standardized engine with interchangeable parts.
- C. sold millions of cars at a small unit of profit that allowed his company to dominate the industry.
- D. all of the choices are true.

204. Which government reform or program did not occur in the 1930s?

- A. The creation of the Federal Deposit Insurance Corporation (FDIC)
- B. The GI bill of rights
- C. The creation of the Securities Exchange Commission
- D. The Social Security System

205. Which is the most accurate statement?

- A. Our trade deficit is at a record level and will remain so for the foreseeable future.
- B. The economic response to the attacks on 9/11 was similar to the economic response to the attack of Pearl Harbor in 1941.
- C. The United States economy is almost self-sufficient.
- D. The year 2001 was one of the best in terms of economic performance for the United States.

206. Each of the following took place in the 1930s EXCEPT

- A. the collapse of the entire international financial structure.
- B. a drought that became known as the Dust Bowl wiped out millions of farmers.
- C. all of the nation's banks were closed in the first week of March 1933.
- D. the fulfillment of the promise: "two cars in every garage" and "a chicken in every pot".

207. In the 1937–1938 economic downturn

- A. the number of unemployed rose dramatically by about 5 million.
- B. industrial production fell by 30 percent.
- C. presidential as well as Federal Reserve policy helped to cause the decline.
- D. All of the choices are true.

208. The "New Economy", a period marked by major technological change, low inflation, low unemployment, and rapidly growing productivity characterized

- A. the 1920s.
- B. the 1960s.
- C. the 1990s.
- D. All of the decades listed.

209. Which of the following industrial changes allowed the smallest start-up manufacturers to compete with great industrial capitalists?

- A. A positive trade balance at the turn of the 20th century.
- B. The completion of the national railroad network.
- C. The development of the moving assembly line as a division of labor in manufacturing.
- D. The transition from private electric generators to centralized utility based power production.

210. A freeze on wages and prices was introduced by President

- A. Franklin Delano Roosevelt.
- B. Harry S. Truman.
- C. Dwight D. Eisenhower.
- D. John F. Kennedy.
- E. Lyndon B. Johnson.

211. Which statement about the United States at present is false?

- A. We have the world's largest economy.
- B. Our federal deficits have been at record highs for the last few years.
- C. The Social Security and Medicare trust funds are safe for at least the next two generations.
- D. In 2005, our savings rate fell below zero.
- E. We are borrowing almost \$2 billion a day from foreigners to finance our trade and budget deficits.

212. At the end of World War I (1918), the United States

- A. emerged as the world's leading industrial power.
- B. was the world's largest economy.
- C. was the largest consumer market.
- D. had become the greatest military power.
- E. All of the choices are true.

213. Statement I: The dissolving of the Soviet Union in 1991 resulted in a "peace dividend" for the United States that enabled us to divert tens of billions of dollars a year from military spending toward much more productive uses.

Statement II: By the end of the 20th century the United States faced no economic problems and "we were clearly at the top of our game".

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

214. Statement I: The abuse of power by the industrial capitalists at the end of the 19th century led to the rise of labor unions and the passage of antitrust legislation.

Statement II: The widespread bank failures of the 1920s became even worse in the early 1930s.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

215. Since the millennium, job growth is

- A. growing.
- B. about the same as it was in the 1990s.
- C. lagging.

**Fill in the Blank Questions**

216. In the years before the Civil War, Southern states, because of high protective tariffs, were forced to buy most of their manufactured goods from \_\_\_\_\_.

\_\_\_\_\_

217. The stock market crashed in the year \_\_\_\_\_.

\_\_\_\_\_

218. In the 1980s, the U.S. had recessions in \_\_\_\_\_ and \_\_\_\_\_.

\_\_\_\_\_

219. The last year (s) of very high inflation was (were) \_\_\_\_\_.

\_\_\_\_\_

220. The New Deal may be summarized by the words, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

\_\_\_\_\_

221. About \_\_\_\_\_ percent of the money the government has been paying in farm subsidies has been going to large corporate farms.

\_\_\_\_\_

222. The presidents most closely associated with the Great Depression were \_\_\_\_\_ and \_\_\_\_\_.

\_\_\_\_\_

223. The worst recession since the Great Depression occurred in the years \_\_\_\_\_ to \_\_\_\_\_.

\_\_\_\_\_

224. The Social Security Act was passed during the administration of President \_\_\_\_\_.

\_\_\_\_\_

225. The three main crops of the nation from the end of the Civil War to the turn of the century (1900) were (1) \_\_\_\_\_, (2) \_\_\_\_\_; and (3) \_\_\_\_\_.

\_\_\_\_\_

226. The Great Depression really began in the second half of the year \_\_\_\_\_.

\_\_\_\_\_

227. The building of the \_\_\_\_\_ were the key development in opening the era of mass production and mass consumption.

\_\_\_\_\_

228. Andrew Carnegie was largely responsible for the development of the \_\_\_\_\_ industry; while John D. Rockefeller was largely responsible for the development of the \_\_\_\_\_ industry.

\_\_\_\_\_

229. Today about \_\_\_\_\_% of all Americans live on farms.

\_\_\_\_\_

230. President Eisenhower considered his main economic task as \_\_\_\_\_.

231. The greatest expansion of the automobile industry occurred in the decade of the \_\_\_\_\_.

232. In 1929 we produced over \_\_\_\_\_ million motor vehicles.

233. Between 1921 and 1929 national output rose about \_\_\_\_\_%.

234. Promises of "a chicken in every pot" and "two cars in every garage" were made by presidential candidate \_\_\_\_\_.

235. The recession of 1937-38 had two basic causes: (1) \_\_\_\_\_; and (2) \_\_\_\_\_.

236. In the 1970s we had \_\_\_\_\_ recessions and in the 1980s we had \_\_\_\_\_ recessions.

237. In 1790 the average farmer fed \_\_\_\_\_ people; today the average farmer feeds \_\_\_\_\_ people.

238. The basic reason why farm prices have declined has been that

\_\_\_\_\_  
\_\_\_\_\_

239. What two main things did returning veterans want to buy after World War II?

\_\_\_\_\_  
\_\_\_\_\_

240. The federal government facilitated suburbanization by providing \_\_\_\_\_ and

\_\_\_\_\_  
\_\_\_\_\_

241. Japan did not lead the world in automobile production in the 1950s because

\_\_\_\_\_  
\_\_\_\_\_

242. In the early 1950s the two new factors that stimulated our economy were \_\_\_\_\_  
and \_\_\_\_\_.

\_\_\_\_\_

243. The two economic conflicts between the North and the South that led to the Civil War  
were (1) \_\_\_\_\_ and (2) \_\_\_\_\_.

\_\_\_\_\_

244. In the year \_\_\_\_\_ the stock market crashed, while the economy went into a major  
economic decline which lasted until the year \_\_\_\_\_.

\_\_\_\_\_

245. Mass production is possible only if there is also \_\_\_\_\_.

\_\_\_\_\_

246. After World War II millions of mortgages were provided by two federal government agencies, the \_\_\_\_\_ and the \_\_\_\_\_.

\_\_\_\_\_

247. Since the Civil War, the poorest section of the country has been the \_\_\_\_\_.

\_\_\_\_\_

248. During World War II, the federal government instituted \_\_\_\_\_ to keep down inflation.

\_\_\_\_\_

249. At the time of the Civil War the most important crop in the South was \_\_\_\_\_.

\_\_\_\_\_

250. The economic recovery program begun by the Roosevelt Administration to end the Great Depression was known as the \_\_\_\_\_.

\_\_\_\_\_

251. In 1941 Henry Luce coined the term \_\_\_\_\_ to describe the magnitude of America's economic and military prowess.

\_\_\_\_\_

252. Farms with sales of more than \$250,000 account for \_\_\_\_\_ percent of U.S. agricultural sales.

\_\_\_\_\_

253. The record for the longest U.S. economic expansion started in March \_\_\_\_\_ and ended in March \_\_\_\_\_.

\_\_\_\_\_

254. Since the beginning of 1945 there have been \_\_\_\_\_ recessions in the United States.

\_\_\_\_\_

255. The major cause of the recession in 2001 was a decline in \_\_\_\_\_ spending.

\_\_\_\_\_

256. The housing developments that were made up of identical, prefabricated houses, quickly built after World War II to meet the high demand for housing were produced by \_\_\_\_\_.

\_\_\_\_\_

257. This president made the campaign promise: "Read my lips: no new taxes."

\_\_\_\_\_.

\_\_\_\_\_

258. During World War II, \_\_\_\_\_ percent of our nation's output was devoted to the war effort.

\_\_\_\_\_

259. What was very unusual about the 2001 recession, was that consumer spending \_\_\_\_\_.

\_\_\_\_\_

260. The U.S. population is over \_\_\_\_\_ million.

\_\_\_\_\_

261. The worst recession we had since World War II occurred in \_\_\_\_\_.

\_\_\_\_\_

262. The dissolving of the \_\_\_\_\_ in 1991 resulted in a "peace dividend" for the United States that enabled us to divert tens of billions of dollars a year from military spending to much more productive uses.

\_\_\_\_\_

263. The bursting of the \_\_\_\_\_ market was largely responsible for setting off the Great Recession.

\_\_\_\_\_

## Chapter 01 A Brief Economic History of the United States **Answer Key**

### Multiple Choice Questions

1. The Social Security Program began during the administration of  
A. Franklin D. Roosevelt.  
B. Harry S. Truman.  
C. Dwight D. Eisenhower.  
D. John F. Kennedy.  
E. Lyndon B. Johnson.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

2. Which statement is true?  
A. A depression followed both World War I and World War II.  
B. A depression followed neither World War I nor World War II.  
C. A depression followed World War I, but not World War II.  
D. A depression followed World War II but not World War I.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

3. There was full employment in  
A. 1929 and 1942.  
B. Neither 1929 nor 1942.  
C. 1929.  
D. 1942.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

4. During the 19th century, the great abundance of land compared to the availability of labor  
A. attracted millions of immigrants.  
B. encouraged early marriage and large families.  
C. encouraged rapid technological development.  
D. All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

5. Which of the following is true?  
A. The Japanese rebuilt their economy after World War II by selling its goods to their own rapidly growing population.  
B. Slow U.S. population growth in the 19th century forced American farmers and manufacturers to seek foreign markets to propel its rapid economic growth.  
C. The Japanese rebuilt their economy after World War II by targeting the large U.S. market, while their own market remained largely closed to U.S. manufactured goods.  
D. America's rapid population growth in the 19th century slowed its economic growth rate.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

6. The completion of the American national railroad network in the second half of the 19th century led to all of the following except
- A. that it enabled manufacturers to sell their products all over the country.
  - B. mass consumption.
  - C. increased prices of goods sold which led to more investment and more jobs.
  - D. higher wages.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

7. Between 1939 and 1944 our national output
- A. rose by 50%.
  - B. nearly doubled.
  - C. rose by 150%.
  - D. nearly tripled.
  - E. quadrupled.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

8. The worst recession since World War II started in which year?
- A. 1953
  - B. 1957
  - C. 1973
  - D. 1981
  - E. 2007

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

9. Which statement is true about the recession of 1990-91?
- A. It was the worst recession we have had since World War II.
  - B. It was the mildest recession we have had since World War II.
  - C. Our recovery from it was one of the strongest since World War II.
  - D.** Our recovery from it was one of the weakest since World War II.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

10. The early 1930s was a period of
- A. inflation and deflation.
  - B. neither inflation nor deflation.
  - C. inflation.
  - D.** deflation.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

11. Which of the following explains the slower economic growth in the South compared to other regions of the country?
- A. Much of the South's capital, public and private, was destroyed in the Civil War.
  - B. The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s all bypassed the South.
  - C. The South remained an agricultural region after the Civil War instead of immediately becoming a higher productivity manufacturing region.
  - D.** All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

Chapter 01 - A Brief Economic History of the United States

12. Under President Eisenhower we had \_\_\_\_\_ recessions.

- A. no
- B. one
- C. two
- D.** three
- E. four

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

13. Under President Eisenhower the problem of inflation.

- A. got a lot worse.
- B. got a little worse.
- C. stayed about the same.
- D. got a little better.
- E.** got a lot better.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

14. The decade that had the most stagflation was the

- A. 1930s.
- B. 1940s.
- C. 1950s.
- D. 1960s.
- E.** 1970s.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

15. Which statement is true?

- A. In 1900 most Americans still lived on farms.
- B. Except for the stock market, most of our economy was depressed in the 1920s.
- C. There was a depression within three years after World War I.
- D. None of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

16. Statement I. President Ronald Reagan said that if we cut tax rates, people would have more incentive to work, output would rise, and inflation would subside.

Statement II. President Reagan presided over the worst recession we have had since World War II.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

17. Which of the following is true?

- A. The completion of the transcontinental railroad system in the 1880s eventually made the United States the world's first mass market.
- B. Southern manufacturers benefited from high protective tariffs of the 19th century that kept out cheaper Japanese manufactured goods.
- C. The canal system linking east-coast rivers with the Great Lakes in the 1820s created an "American economy" rather than just a series of regional economies located in one country.
- D. Agricultural inventions such as John Deere's steel plows did little to improve farm productivity.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

18. The name of Andrew Carnegie is most closely associated with
- A. the steel industry.
  - B. the rubber industry.
  - C. the meatpacking industry.
  - D. the chemical industry.
  - E. the computer industry.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

19. Which was a decade of high inflation and high unemployment?
- A. The 1920s
  - B. The 1940s
  - C. The 1950s
  - D. The 1960s
  - E. The 1970s

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

20. The transcontinental railroads were completed in the 25 years
- A. before the Civil War.
  - B. after the Civil War.
  - C. after 1890.
  - D. after the 20th century began.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

Chapter 01 - A Brief Economic History of the United States

21. Each of these were minor recessions except for

- A. 1981–1982.
- B. 1980.
- C. 1990–1991.
- D. 2001.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

22. Cyrus McCormick and Eli Whitney were important in the technology of

- A. steel.
- B. automobiles.
- C. agriculture.
- D. oil.
- E. chemicals.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

23. Which statement is true?

- A. The United States has a larger national output than any other country in the world.
- B. We have had recessions about every three years since World War II.
- C. There were no recessions while Ronald Reagan was president.
- D. None of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

24. Which statement is true?

- A. More than any other region in the nation, the South prospered the most in the years following the Civil War.
- B.** The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s, all bypassed the South.
- C. Before the Civil War most of the nation's large farms were located in the North.
- D. None of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

25. Between 1836 and 1851 travel time between New York and Chicago was cut from

- A.** a month to two days.
- B. a month to a week.
- C. two weeks to one week.
- D. two weeks to two days.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

26. The first automobile manufacturer to use a division of labor and to use a moving assembly line was

- A.** Henry Ford.
- B. Henry Leland.
- C. Henry Olds.
- D. Andrew Carnegie.
- E. Alfred Sloan.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

Chapter 01 - A Brief Economic History of the United States

27. The United States truly became a mass consumption society in

A. the early 1900s.

**B.** the 1920s.

C. the 1940s.

D. the 1960s.

E. the 1980s.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

28. The United States emerged from \_\_\_\_\_ with its industrial plant intact.

**A.** Both World War I and World War II

B. Neither World War I nor World War II

C. World War I, but not World War II

D. World War II, but not World War I

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

29. Which statement is true?

A. Few Americans blamed Herbert Hoover for the Great Depression.

**B.** The U.S. experienced a brief depression in the early 1920s.

C. Most American homes were not wired for electricity until the late 1940s.

D. None of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

Chapter 01 - A Brief Economic History of the United States

30. Between 1921 and 1929 national output

- A. declined slightly.
- B. stayed about the same.
- C. rose slightly.
- D. rose by about 50%.**
- E. almost doubled.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

31. In the late 1920s, you could buy \$10,000 worth of stock by putting down as little as

- A. \$100.
- B. \$1,000.**
- C. \$2,500.
- D. \$5,000.
- E. \$10,000.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

32. The Great Depression began in

- A. the second half of 1929.**
- B. the middle of 1930.
- C. early 1932.
- D. march 1933.
- E. may 1937.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

33. The recovery from the low point of the Great Depression lasted for \_\_\_\_ months.

- A. 12
- B. 25
- C. 50
- D. 90
- E. 125

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

34. The recession of 1937-38 could be blamed on

- A. both the Roosevelt Administration and the Federal Reserve Board.
- B. neither the Roosevelt Administration nor the Federal Reserve Board.
- C. the Roosevelt Administration, but not the Federal Reserve Board.
- D. the Federal Reserve Board, but not the Roosevelt Administration.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

35. There were a huge number of bank failures between

- A. 1930 and 1933.
- B. 1933 and 1936.
- C. 1936 and 1939.
- D. 1939 and 1942.
- E. 1942 and 1945.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

36. Which statement is most accurate?

- A. Had the stock market not crashed in 1929, there would have been no business downturn in the early 1930s.
- B. Whether or not the stock market crashed, we definitely would have had a depression anyway.
- C. Had it not been for the speedy and powerful reactions of the administration of Herbert Hoover, the depression would have been much worse.
- D.** It was not until the massive arms build-up leading up to our involvement in World War II that we finally began to emerge from the Great Depression.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

37. Which statement is true?

- A.** We have had at least one recession in the 1940s, 1950s, 1960s, 1970s, 1980s, and 1990s.
- B. We have had at least two recessions in any one decade since World War II.
- C. We have had at least three recessions in all of the decades since World War II.
- D. None of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

38. The creation of the dust bowl and the migration of the "Okies" to California took place in the

- A. 1920s.
- B.** 1930s.
- C. 1940s.
- D. 1950s.
- E. 1960s.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

39. All of the nation's banks were closed in the first week of March, in the year

- A. 1929.
- B. 1930.
- C. 1931.
- D. 1932.
- E.** 1933.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

40. During the depths of the Great Depression our official unemployment rate reached \_\_\_\_\_ percent.

- A. 10
- B. 15
- C. 20
- D.** 25
- E. 30

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

41. The economic expansion which began in 1933 was due to

- A. The fact that business had hit bottom and was ready to rebound.
- B. The efforts of the Roosevelt Administration to stimulate the economy.
- C.** Both the efforts of the Roosevelt Administration and the readiness of business to rebound.
- D. Neither the efforts of the Roosevelt Administration nor the readiness of business to rebound.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

42. In 1937–1938, the number of unemployed
- A. fell dramatically by about 5 million.
  - B. fell slightly by about 1 million.
  - C. rose slightly by about 1 million.
  - D.** rose dramatically by about 5 million.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

43. Which statement is false?
- A.** Most jobs in defense plants during World War II were held by white males.
  - B. The federal government instituted wage and price controls during World War II.
  - C. Very little new housing was built during the Great Depression and World War II.
  - D. None of the statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

44. All of the following reflects our current economic situation except
- A. the hourly wage adjusted for inflation is lower than it was in 1973.
  - B. our trade deficit, while large, has fallen in the last few years.
  - C.** our savings rate has fallen to zero.
  - D. our federal budget deficit is at a record high.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

Chapter 01 - A Brief Economic History of the United States

45. In the years immediately after the American Revolution

- A. both labor and capital were scarce.
- B. neither labor nor capital were scarce.
- C. labor was scarce and capital was plentiful.
- D. capital was scarce and labor was plentiful.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

46. An American farmer today feeds over \_\_\_\_\_ people.

- A. 5
- B. 15
- C. 30
- D. 50
- E. 100

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

47. Between 1850 and 1950 the productivity of the average American farm worker

- A. declined.
- B. remained about the same.
- C. doubled.
- D. quadrupled.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

48. Which of the following has been one of the most productive sectors of the U.S. economy through the 19th, 20th and 21st centuries?

- A. Textiles
- B. Steamships
- C. Steel
- D.** Agriculture

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-07 Assess America's place in history.*

49. Since World War II, about \_\_\_\_\_ out of every ten family farms have disappeared.

- A. one
- B. three
- C. five
- D.** seven
- E. nine

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

50. Of all the money spent on farm price supports, about \_\_\_\_\_ percent goes to large corporate farms.

- A. 10
- B. 25
- C. 50
- D.** 75
- E. 95

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

51. Henry Ford

- A. was the second automobile manufacturer to use a moving assembly line.
- B. was the first automobile manufacturer to manufacture a standardized engine with interchangeable parts.
- C. sold millions of cars at a small unit of profit that allowed his company to keep auto prices low and wages high.
- D. all of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

52. Which statement is the most accurate?

- A. There are virtually no Americans who go hungry.
- B. There are a few Americans who go hungry.
- C. There are millions of Americans who go hungry.
- D. About one third of Americans go hungry.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

53. Which statement is most accurate with respect to the federal government's land policies in the 19th century?

- A. It gave away land, and rarely if ever charged even a token amount per acre.
- B. It gave away a lot of land and charged a token amount for the rest.
- C. It gave away no land, but charged only a token amount.
- D. It charged a fairly substantial amount for the land it sold.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

54. Which statement is false?

- A. Before the Civil War about three quarters of the farms of over 500 acres were located in the South.
- B. The great abundance of land was the most influential factor in our economic development during the 19th century.
- C. Although the percentage of Americans living on farms has declined substantially over the last 70 years, the actual number of people living on farms has remained constant.
- D. None of the statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

55. Each of the following was an effect of cheap or free land during the 19th century except

- A. a high marriage rate.
- B. a high birth rate.
- C. a high rate of immigration.
- D. a rapid rate of technological development.
- E. a high rate of migration from the farms to the cities.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

56. Basically our high rate of population growth since the time of George Washington's presidency

- A. has been a drag on our rate of economic growth.
- B. pushed up our rate of unemployment.
- C. created a growing problem of not enough food to feed everyone.
- D. provided a market for our farmers and manufacturers.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

57. Southern agriculture differed markedly from agriculture in the rest of the country before the Civil War in each of these respects EXCEPT

- A. it had, on the average, larger farms.
- B. it had slavery.
- C. it had different major crops.
- D.** it had more subsistence farming.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

58. From 1865 to 1900, the production of wheat, corn, and cotton

- A. increased much more slowly than population growth.
- B. increased somewhat more slowly than population growth.
- C. increased at about the same pace as population growth.
- D.** increased faster than population growth.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

59. The mechanical reaper was invented by

- A. Eli Whitney.
- B. The Marsh brothers.
- C. John Deere.
- D.** Cyrus McCormick.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

60. The American economy is \_\_\_\_\_ economy in the world today.
- A. the largest and the fastest growing
  - B. neither the largest nor the fastest growing
  - C. the largest, but not the fastest growing
  - D. the fastest growing, but not the largest

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-07 Assess America's place in history.*

61. Inflation adjusted hourly wages for the average hourly worker is \_\_\_\_\_ today than it was in 1973.
- A. higher
  - B. lower
  - C. about the same

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-07 Assess America's place in history.*

62. Which is the most accurate statement about the recessions we have had since World War II?
- A. They have all been very mild.
  - B. They have all been very severe.
  - C. Three have been very severe.
  - D. None have been severe.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

63. Which statement is most accurate?

- A. Aside from some large federal budget deficits, the economic record left by the Reagan Administration was an almost complete success.
- B. While the downside of the Reagan years were huge budget and trade deficits, the good news was the decline of double-digit inflation.**
- C. The Reagan Administration's policies had virtually no effect on the economic performance during the 1980s.
- D. The Reagan Administration was a complete failure from an economic standpoint.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

64. The New Deal was the economic program of

- A. Herbert Hoover.
- B. Franklin D. Roosevelt.**
- C. Dwight D. Eisenhower.
- D. Lyndon B. Johnson.
- E. Ronald Reagan.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

65. The New Deal

- A. may be summarized by these words: relief, recovery, and reform.**
- B. introduced Medicare and Medicaid.
- C. succeeded in quickly ending the Great Depression.
- D. reduced the economic role of the federal government.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

66. Who said the nation was "ill-fed, ill-clothed, and ill-housed?"

- A. Herbert Hoover
- B. Franklin D. Roosevelt**
- C. Lyndon B. Johnson
- D. Jimmy Carter
- E. Ronald Reagan

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

67. Comparing the United States economy in 1900 with our economy today, all of the following are still present EXCEPT

- A. large agricultural surpluses.
- B. an abundance of entrepreneurial ability.
- C. "cutting edge" technological progress.
- D. a positive balance of trade with the rest of the world.**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

68. Each of the following were created under the New Deal EXCEPT

- A. Social Security.
- B. the Federal Deposit Insurance Corporation (FDIC).
- C. the Securities and Exchange Commission (SEC).
- D. food stamps.**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

69. Inflation was the nation's number-one economic worry during

- A. the 1920s.
- B. 1930s.
- C. the late 1950s.
- D. the early 1960s.
- E.** the 1970s.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

70. Which statement is the most accurate?

- A.** Business activity in 1929 began to decline a few months before the stock market crash.
- B. The stock market crashed a few months before business activity began to decline.
- C. The stock market crashed at virtually the same time that business activity began to decline.
- D. None of these statements are accurate.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

71. Which statement is false?

- A. Had the stock market not crashed and the rest of the world not gone into a depression, the U.S. depression might have been avoided.
- B. By the end of 1930 thousands of banks had failed.
- C. By the first week in March 1933 every single bank in the United States had shut its doors.
- D.** None of the statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

72. The low point of the Great Depression was reached in the year

- A. 1929.
- B. 1931.
- C. 1933.
- D. 1935.
- E. 1937.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

73. Who promised "two cars in every garage and a chicken in every pot?"

- A. Herbert Hoover
- B. Franklin D. Roosevelt
- C. Dwight D. Eisenhower
- D. John F. Kennedy
- E. Ronald Reagan

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

74. Choosing from among the following, the worst recession was in

- A. 1937–1938.
- B. 1980.
- C. 1990–1991.
- D. 2001.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

75. For all intents and purposes, the Great Depression ended in

- A. 1933.
- B. 1937.
- C. 1941.**
- D. 1945.
- E. 1950.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

76. Of the 2.2 million working farms in the U.S., \_\_\_\_\_ of them produce more than \$5,000 worth of agricultural products.

- A. one quarter
- B. half**
- C. three quarters
- D. one third

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

*Learning Objective: 01-07 Assess America's place in history.*

77. Agricultural prices fell during each of these periods EXCEPT

- A. 1865–1900.
- B. 1900–1919.**
- C. 1929–1933.
- D. There is no exception. Agricultural prices fell in all these time periods.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

78. Which statement is true?

- A. There was brief depression in the early 1920s.
- B. Between 1921 and 1929 national output tripled.
- C. The automobile market was completely saturated by 1921 and sales remained low for the rest of the decade.
- D. None of these statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

79. Which statement is false?

- A. The spreading use of electricity during the 1920s helped create rapid economic expansion in that decade.
- B. The stock market rose very rapidly in the late 1920s.
- C. Between 1921 and 1929 national output rose by 50 percent.
- D. None of the statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

80. The most rapid expansion in the use of electricity was in the period from

- A. 1900-1910.
- B. 1910-1920.
- C. 1920-1930.
- D. 1930-1940.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

81. The most accurate appraisal of the American economy early in the 21st century would be that we

- A. had the largest economy in the world with no major economic problems.
- B. had the largest economy in the world, but were faced with some major economic problems.**
- C. did not have the largest economy in the world, and had no major economic problems.
- D. did not have the largest economy in the world and did face some major economic problems.

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Easy*

*Learning Objective: 01-07 Assess America's place in history.*

82. In which of these years was there very high inflation and a recession?

- A. 1937
- B. 1980**
- C. 1990
- D. 2001

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

83. The heart of the supply-side economic program was to

- A. raise taxes.
- B. lower taxes.**
- C. raise government spending.
- D. put people to work in government jobs.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

84. The highest unemployment rate we experienced since the Great Depression was in
- A. 1973.
  - B.** 1982.
  - C. 1990.
  - D. 2001.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

85. About how many Americans still live on farms today?
- A.** 4.5 million
  - B. 14.5 million
  - C. 24.5 million
  - D. 34.5 million
  - E. 45.5 million

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

86. Which statement is true?
- A. The number of people living on family farms has been increasing in recent years.
  - B.** Most farm subsidy payments go to large corporate farms.
  - C. Our huge agricultural surpluses have completely eliminated starvation in this country.
  - D. None of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

87. Since the government has been paying out farm subsidies
- A. the number of family farms has increased by about 40 percent.
  - B. the number of family farms has increased slightly.
  - C. the number of family farms has decreased slightly.
  - D.** the number of family farms has decreased by 70 percent.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

88. Which statement is true?
- A.** America has always had a very productive agricultural sector.
  - B. The most influential factor in our economic development during the 19th century was a great abundance of labor.
  - C. The central problem of economics is an oversupply of capital.
  - D. None of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

89. Which statement is false?
- A. Between 1789 and 1812 our population doubled.
  - B. Between 1812 and 1835 our population doubled.
  - C. Between 1835 and 1858 our population doubled.
  - D.** None of the statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

90. Which statement is true?

- A. All regions of the United States were primarily agricultural in 1865.
- B. Only the South was primarily agricultural in 1865.
- C. Only the North and West were primarily agricultural in 1865.
- D. None of the statements are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

91. Which region's agricultural system developed very differently from that of the rest of the nation?

- A. The West
- B. The Midwest
- C. New England
- D. The South

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

92. The "Okies" were associated with each of these EXCEPT

- A. the Dust Bowl.
- B. John Steinbeck's *The Grapes of Wrath*.
- C. the Great Depression.
- D. the rust belt.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

93. Which one of the following would be the most accurate description of our economy since the beginning of the new millennium?

- A. We have had virtually no economic problems.
- B. We are in the worst economic downturn since 1945.**
- C. Aside from the federal budget deficit, we have no major economic problems.
- D. Our unemployment rates have been the lowest since World War II.

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Hard*

*Learning Objective: 01-07 Assess America's place in history.*

94. Compared to our economic history between 1879 and 1945, our economic history since 1945 could be considered.

- A. much more stable.**
- B. about as stable.
- C. much less stable.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

95. The second half of the 1940s was a period of

- A. recession.
- B. no economic growth.
- C. very slow economic growth.
- D. fairly high economic growth.**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

96. Highway and home construction had a boom from

- A. 1925–1940.
- B. 1935–1950.
- C. 1945–1960.**
- D. 1965–1980.
- E. 1975–1990.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

97. When General Dwight D. Eisenhower ran for the presidency for the first time, he said he would

- A. end the recession and end inflation.
- B. end the recession and end the Korean War.
- C. end inflation and end the Korean War.**
- D. end the recession, the Korean War, and inflation.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

98. Which statement is false?

- A. Suburbanization was the migration of tens of millions of middle-class Americans—nearly all of them white—from the cities to the suburbs.
- B. The people who moved to the suburbs were replaced in the cities by millions of poor people, the large majority of whom were black and Hispanic.
- C. The inner cities today are socially isolated from the rest of the country.
- D. None of these statements are false.**

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

Chapter 01 - A Brief Economic History of the United States

99. The suburbanization of America \_\_\_\_\_ our dependence on oil imports.  
A. increased substantially  
B. had on effect on  
C. decreased substantially

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

100. Statement I. The late 1940s and the 1950s were one big construction boom.

Statement II. The Japanese had captured nearly 20 percent of the U.S. car market by the early 1950s.

- A. Statement I is true and statement II is false.  
B. Statement II is true and statement I is false.  
C. Both statements are true.  
D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

101. Which statement is more accurate?

- A. There is virtually no poverty in the United States.  
B. There are a few pockets of poverty in America, but in most of the country there are no signs of poor people.  
C. One effect of the global economy has been the loss of many jobs of various skill levels.  
D. Nearly one half of all Americans are below the poverty line.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

102. Which statement is true?

- A. Mass production can take place without mass consumption.
- B. Mass consumption can take place without mass production.
- C. Mass production can take place without mass consumption and mass consumption can take place without mass production.
- D.** Mass production cannot take place without mass consumption, nor can mass consumption take place without mass production.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

103. As a manufacturer becomes a mass producer, generally productivity \_\_\_\_ and wage rates \_\_\_\_.

- A. falls, fall
- B.** rises, rise
- C. rises, fall
- D. falls, rise

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

104. Which is the most accurate description of Japanese reindustrialization after World War II?

- A. Japanese manufacturers concentrated almost entirely on selling to the Japanese home market.
- B. Japanese manufacturers charged twice as much to Americans as to Japanese for the same products.
- C.** Japanese manufacturers charged the Japanese twice as much as the Americans for the same products.
- D. Japan concentrated on supplying the American market with luxury items that were not being produced in the United States.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

105. Which statement is true?

- A. The recessions of 1973–1975 and 1981–1982 were both mild.
- B.** The recessions of 1973–1975 and 1981–1982 were both severe.
- C. The recession of 1973–1975 was mild; the recession of 1981–1982 was severe.
- D. The recession of 1973–1975 was severe; the recession of 1981–1982 was mild.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

106. Which statement is true?

- A. The recessions of 2001 and 2007–2009 were both mild.
- B. The recessions of 2001 and 2007–2009 were both severe.
- C. The recession of 2007–2009 was mild; the recession of 2001 was severe.
- D.** The recession of 2001 was mild; the recession of 2007–2009 was severe.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

107. Among the key ingredients that propelled the American economy to emerge as the leading industrial power by the beginning of World War I were

- A. technological talent.
- B. the world's first universal public education system.
- C. a large agricultural surplus.
- D. entrepreneurial abilities of great industrialists.
- E.** all of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

108. In the decades leading to the Civil War \_\_\_\_\_ supported high protective tariffs.

- A. both the North and the South
- B. neither the North nor the South
- C. only the North**
- D. only the South

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

109. Economic conflict(s) leading to the Civil War \_\_\_\_\_.

- A. were over tariffs and the extension of slavery into the new territories**
- B. was the growing free trade with England
- C. was Abraham Lincoln freeing the slaves
- D. None of the choices are true

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

110. In the decades before the Civil War, the South \_\_\_\_\_.

- A. opposed the extension of slavery into the territories
- B. supported the extension of slavery into the territories**
- C. cooperated with the North to establish both free and slavery territories
- D. None of the choices are true

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

Chapter 01 - A Brief Economic History of the United States

111. What caused the major economic conflict between the North and the South immediately before the outbreak of the Civil War?

- A. Agricultural development.
- B. Industrialization in the North.
- C. Trade barriers with England.
- D.** All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

112. The Southern economy \_\_\_\_\_ from the damages of the Civil War.

- A. quickly recovered
- B. experienced no lingering effects
- C.** suffered decades of economic transition

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

113. During World War II our economy grew by about \_\_\_\_\_ percent a year.

- A. 5
- B.** 10
- C. 15
- D. 20
- E. 25

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

114. The prototype of suburban tract development was in

- A. Newton, Massachusetts.
- B. San Luis Obispo, California.
- C. Camden, New Jersey.
- D. Butte, Montana.
- E.** Levittown, New York.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

115. \_\_\_\_\_ sold low-priced, prefabricated homes to people who wanted to move to the suburbs after World War II.

- A. Andrew Carnegie
- B.** William Levitt
- C. Henry Ford
- D. Cyrus McCormick

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

116. Statement I. William Levitt and other suburban developers were guilty of housing discrimination in the years after World War II.

Statement II. The suburbanization of the country did not really get rolling until the 1970s.

- A.** Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

Chapter 01 - A Brief Economic History of the United States

117. There are \_\_\_\_\_ family farms today than at any previous time in our history.

A. more

**B.** fewer

C. about the same number of

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

118. Which statement best compares our economic condition in 1933 and today?

A. We were much better off in 1933.

**B.** We are much better off today.

C. Economic conditions were about the same.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

119. Our economy was most depressed in

A. 1923.

**B.** 1933.

C. 1943.

D. 1953.

E. 1963.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

120. The world's number one economic power, in terms of total output, is  
A. the United States.  
B. Germany.  
C. China.  
D. Japan.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-07 Assess America's place in history.*

121. Which statement is false?  
A. The 1990s was one of the most prosperous decades in our history.  
B. Our economy reached its tenth year of steady expansion in the spring of 2001.  
C. Compared to other decades, the 1990s was a decade was unique in that it had strong economic growth with no recessions.  
D. At the end of the 1990s, the government was running budget surpluses.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

122. Which statement is true?  
A. Our economy is larger than Japan's and our population is larger than Japan's.  
B. Our economy is smaller than Japan's and our population is smaller than Japan's.  
C. Our economy is larger than Japan's and our population is smaller than Japan's.  
D. Our economy is smaller than Japan's and our population is larger than Japan's.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

123. Statement I. The generation that came of age in the 21st century did better economically than their parents' generation.

Statement II. The American economic picture was brighter in the 1980s than the 1990s.

A. Statement I is true and statement II is false.

B. Statement II is true and statement I is false.

C. Both statements are true.

**D.** Both statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

*Learning Objective: 01-07 Assess America's place in history.*

124. Statement I. Small farmers can still easily survive thanks to government programs.

Statement II. During the 19th century, the U.S. government gave away 160-acre plots of land to anyone willing to clear the land and farm on it.

A. Statement I is true and statement II is false.

**B.** Statement II is true and statement I is false.

C. Both statements are true.

D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

125. Which presidential candidate made this pledge: "Read my lips: no new taxes"?

A. Richard Nixon (1968)

B. Gerald Ford (1974)

C. Jimmy Carter (1976)

D. Ronald Reagan (1980)

**E.** George H.W. Bush (1988)

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

126. Statement I. In the future the bulk of our food will be grown on huge corporate farms.  
Statement II. The primary purpose of price-support payments to farmers was to save the family farm.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.**
- D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

127. Which is the most accurate statement?

- A. The number of family farms has been increasing since 1960.
- B. Nearly 20 million Americans live on farms today.
- C. The output of farm labor doubled between 1900 and 1947, and doubled again between 1947 and 1960.**
- D. Today one farmer feeds about 20 people.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

128. Which is the most accurate statement?

- A. In the years after World War II, millions of blacks moved to the suburbs.
- B. No new homes were sold to black families in the Levittowns built in New York, New Jersey, Pennsylvania, and Maryland.**
- C. Today most of the communities built by the Levitt family are overwhelmingly black.
- D. Although racial discrimination did take place in housing in the years immediately after World War II, by the early 1960s it was no longer taking place.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

Chapter 01 - A Brief Economic History of the United States

129. In the 1970s, the main economic problem was

- A. stagflation.
- B. huge budget surpluses.
- C. a slow growing money supply.
- D. an economy that was expanding too rapidly.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

130. Which president had to cope with both rising deficits and a rising rate of inflation?

- A. John Kennedy
- B. Dwight Eisenhower
- C. Jimmy Carter
- D. Ronald Reagan

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

131. Statement I. President Ronald Reagan said that if we cut tax rates, people would have more incentive to work, output would rise, and inflation would subside.

Statement II. President Reagan said big government is not the answer to our problem, it is the problem.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

132. The longest and most severe of these recessions was in

- A. 2007 – 2009.
- B. 1990–1991.
- C. 1960–1961.
- D. 1953–1954.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

133. Statement I. The baby boom after World War II, along with low gas prices, accelerated the trend toward suburbanization.

Statement II. The Japanese and West German industrial production was so damaged or destroyed after World War II that it wasn't until 1960 that these nations could effectively compete in the world market.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

134. Which is the most accurate statement?

- A. The administration of President Dwight Eisenhower undid much of what remained of the New Deal.
- B. After taking office, President Eisenhower made good on his pledge to end inflation.
- C. Suburbanization was halted during the Eisenhower Administration.
- D. There were no recessions during the Eisenhower Administration.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

135. What was the most important consequence of suburbanization?

- A. It made people less dependent on their cars.
- B. It was very bad for the construction industry.
- C. It left the cities with large concentrations of poor people.
- D. It raised the tax bases of most cities.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

136. Statement I. Suburbanization increased our dependence on foreign oil.

Statement II. Once returning World War II veterans found new housing in the suburbs, the process of suburbanization came to a halt.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

137. Statement I. The New Deal brought the nation back to full employment within four years.

Statement II. The Social Security program was part of the New Deal.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

138. Statement I. There was a sharp recession in 1937–1938.  
Statement II. In 1933 our unemployment rate was about 25 percent.
- A. Statement I is true and statement II is false.
  - B. Statement II is true and statement I is false.
  - C. Both statements are true.
  - D. Both statements are false.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

139. What got our economy out of the Depression in the early 1940s?
- A. The New Deal
  - B. A tax cut
  - C. Spending on the war
  - D. Suburbanization

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

140. Which statement is true?
- A. There were no recessions during the 1980s.
  - B. The 1920s was not a prosperous decade.
  - C. The federal government played a significant role during Dwight Eisenhower's presidency.
  - D. The longest recession since World War II began in 1990.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

141. In early 2010 there were \_\_\_\_\_ Americans working than there were 10 years earlier.

A. more

**B. fewer**

C. the same number of

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

142. Which statement is true?

A. In 1900 most Americans lived on farms.

B. Our nation's industrial base was largely destroyed by World War I.

C. John D. Rockefeller controlled the U.S. automobile industry during the first two decades of the 20th century.

**D. Andrew Carnegie was the leading steel producer in the U.S. in 1900.**

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

143. Statement I. The Roaring Twenties began and ended with depressions.

Statement II. Although there was a stock market boom in the 1920s, most Americans experienced a declining standard of living during the entire decade.

**A. Statement I is true and statement II is false.**

B. Statement II is true and statement I is false.

C. Both statements are true.

D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

144. The New Deal was carried out during the administration of President

- A. Herbert Hoover.
- B. Franklin Roosevelt.**
- C. Harry Truman.
- D. Dwight Eisenhower.
- E. Lyndon Johnson.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

145. In the first week in March 1933, \_\_\_\_\_ banks had shut their doors.

- A. no
- B. a few
- C. nearly half
- D. most
- E. all**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

146. The most important factor in reversing the economic decline of 1929–1933 was that

- A. the federal government finally balanced its budget.
- B. the stock market began to rise.
- C. people became more optimistic.
- D. the federal government began to spend a huge amount of money.**

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

147. Which statement is false?

- A. During the 19th century the main cash crops grown in the South were cotton, rice, sugar, and tobacco.
- B.** The only real economic conflict between the North and the South before the Civil War was over slavery.
- C. It took most parts of the South about a century to recover economically from the effects of the Civil War.
- D. Southern agriculture developed very differently from agriculture in other regions of the nation.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

148. Which one of the following was the strategy followed by Japanese industrialists after World War II?

- A.** They sold low-priced goods to the low end of the American market while they rebuilt their industrial base.
- B. They charged Japanese consumers much lower prices than they charged American consumers, since Americans could afford to pay more for these goods.
- C. They sold high-priced goods to the high end of the American market, leaving the low end to Korea and Taiwan.
- D. They received tens of billions of dollars in aid from the U.S. government and have still not paid back a penny.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

149. Which one of the following was a basic economic conflict between the North and the South in the years preceding the Civil War?

- A. The North opposed the high protective tariffs the South supported to protect its manufactured goods.
- B. The South opposed the high protective tariffs the North supported to protect its manufactured goods.**
- C. The North demanded the abolition of slavery.
- D. The North opposed the building of a transcontinental railroad.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

150. In 1860 four-fifths of the farms with over 500 acres were in the

- A. North.
- B. East.
- C. South.**
- D. West.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

151. For most of the 19th century in the American West, there was

- A. an abundance of labor relative to land.
- B. abundance of land relative to labor.**
- C. an abundance of both labor and land.
- D. a scarcity of both labor and land.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

152. The Age of the great industrial capitalist was

- A. the last quarter of the 18th century.
- B. the first quarter of the 19th century.
- C. the second quarter of the 19th century.
- D. the third quarter of the 19th century.
- E.** the fourth quarter of the 19th century

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

153. The U.S. did not lapse back into a depression after World War II ended for all of the following reasons EXCEPT

- A. a larger role taken on by the federal government.
- B. pent up demand for housing and automobiles.
- C. government programs that aided the trend toward suburbanization.
- D.** a return to laissez-faire economic policies.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

154. The United States experienced depressions in all of the following decades except

- A. the 1890s.
- B. the 1920s.
- C. the 1930s.
- D.** the 1950s.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

155. Which of the following decline in output in the U.S. since 1870 resulted in the largest percentage decline in output?

- A. The depression of the 1890s.
- B. The 1973-75 recession.
- C. The depression of the 1930s.
- D.** The 2007-2009 recession.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

156. Which of the following would not be considered a boom period as measured by the percentage growth rate of U.S. output of goods and services?

- A. The Roaring 20s
- B.** The conversion from a wartime to a peacetime economy following World War II
- C. World War II
- D. The late 1990s

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

157. What was the most influential factor in our economic development during the 19th century?

- A. The abundance of capital
- B. The abundance of labor
- C. Mass production
- D.** The abundance of land

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

158. The South's economy was based on production of

- A. iron, steel and textiles.
- B. corn, wheat and soybeans.
- C. tobacco, cotton and rice.**
- D. iron, wheat and cotton.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

159. Which of the following is false?

- A. The completion of the national railroad network by 1890 led to the development of a national American market rather than just a series of smaller regional markets.
- B. Before the Civil War the North and the South were in agreement on the issue of protective tariffs, but were in conflict over the spread of slavery into the new Western territories.**
- C. The U.S. was the first mass-consumption society.
- D. From 1900 to the end of World War I, U.S. farmers prospered.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

160. Economic growth was stimulated by suburbanization

- A. in the first five years after World War II.
- B. in the 15 years following World War II.**
- C. from the mid 1960s to the mid 1970s.
- D. after the Persian Gulf War.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

Chapter 01 - A Brief Economic History of the United States

161. In which of the following decades did the American government take a more "hands off" or "let it alone" approach in its role in the economy?

- A. 1980s
- B. 1970s
- C. 1940s
- D. 1930s
- E.** 1920s

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

162. The United States experienced \_\_\_\_\_ from 1930 to 1933.

- A. stagflation
- B. inflation
- C.** deflation
- D. budget surpluses

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

163. Today farms with sales of more than \$250,000 a year account for about \_\_\_\_\_ percent of all agriculture sales.

- A. 5
- B. 25
- C. 50
- D.** 75
- E. 95

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

164. In which year did the United States account for half the world's manufacturing output?

- A. 1925
- B. 1945**
- C. 1965
- D. 1985
- E. 2005

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-07 Assess America's place in history.*

165. World War II veterans benefited from each of these programs except

- A. VA mortgage loans.
- B. the GI bill of rights.
- C. the construction of the national highway network.
- D. the ending of housing discrimination in the late 1940s.**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

166. Which is the most accurate statement?

- A. The problem of hunger has been virtually eliminated in the United States.
- B. Farmers are less productive today than they were 40 years ago.
- C. The 1990s will go down in history as one of the most prosperous decades since the founding of the republic.**
- D. Oil prices declined in 1973.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

167. Each of the following took place in the latter half of the 1990s except
- A. a declining federal budget deficit.
  - B. a declining unemployment rate.
  - C. the spread of computerization.
  - D.** a rising rate of inflation.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

168. Each of the following took place in the latter half of the 1990s except
- A. a falling rate of inflation.
  - B. a rising stock market.
  - C. an economic boom.
  - D.** a rising unemployment rate.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

169. The symbiotic relationship between mass production and mass consumption was best personified by
- A. John D. Rockefeller.
  - B. Andrew Carnegie.
  - C.** Henry Ford.
  - D. John Deere.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

170. Which of the following best describes the state of agriculture at the present time?
- A. Things have never been better, especially for the small farmer.
  - B. The small farmer is selling an increasing percentage of farm output.
  - C.** American farms are so productive that the U.S. often exports one-third of its corn, wheat and other crops.
  - D. There has been a substantial shift of population back to the farms.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-07 Assess America's place in history.*

171. Which of the following statements is true?
- A. The average farm has gone from 500 acres in the 19th century to 100 acres today.
  - B. The Freedom to Farm Act of 1996 ended government payments to farmers.
  - C.** Despite hundreds of billions of dollars on farm price-support payments since World War II, the family farm is vanishing.
  - D. About 20 million people live on farms today.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

172. Which of the following is true?
- A. Twenty-five percent of Americans were officially unemployed in 1933.
  - B. Our economy expanded steadily from 1933 to 1937.
  - C. Once the Great Depression began in 1929, our economy moved steadily downhill until 1933.
  - D.** All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

173. Which statement is false?

- A. The rate of inflation rose during the Eisenhower Administration.
- B. Our economy has not had an unemployment rate below 5 percent since the early 1940s.
- C. President Reagan believed the federal government should "tax, tax, tax, spend, spend, spend", its way to prosperity.
- D.** All of the statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

174. Which statement is false?

- A. President Eisenhower presided over three recessions.
- B. At the close of the 20th century the unemployment rate was below 5 percent.
- C.** Our longest economic expansion was for six years during the Reagan Administration.
- D. None of the choices are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

175. Which statement is true?

- A. There was a great deal of stagflation in the 1960s.
- B. We had full employment for most of the 1980s.
- C.** We have had twelve recessions since the beginning of 1945.
- D. None of the choices are true.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

## Chapter 01 - A Brief Economic History of the United States

176. Which statement is true?

- A. There was a great deal of stagflation in the 1970s.
- B. We had the worst recession since World War II in the late 2000s.
- C. We have had twelve recessions since January, 1945.
- D.** All of the choices are true.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

177. Which of the following was an element of the New Deal?

- A. Wage and price controls
- B. Unemployment insurance and bank deposit insurance
- C. Regulation of the stock market
- D.** Unemployment insurance, bank deposit insurance, and regulation of the stock market, but not wage and price controls

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

178. In which of the following years was there a recession?

- A. 1942
- B. 1950
- C. 1965
- D.** 1973

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

179. Which of the following statements is false?

- A. In the early 19th century, the United States suffered from a scarcity of labor-relative to land.
- B. At the time of the American Revolution, about nine of every ten Americans lived on a farm.
- C.** The transcontinental railroads completed in the 1880s brought railroads to every region of the country.
- D. Between 1939 and 1944, federal government spending rose by 400 percent.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

180. Which of the following statements is false?

- A. The recession of 2001 was mild.
- B.** Output in the United States fell by about one-half between 1929 and 1933.
- C. The inflation rate declined during the Eisenhower and Reagan administrations.
- D. The unemployment rate was less than 3 percent in 1944.
- E. None of these statements are false

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

181. Which of the following statements is true?

- A. There was a great deal of stagflation in the 1930s.
- B. The inflation rate fell during the Eisenhower Administration, but rose during the Reagan years.
- C.** Output in the United States fell by about one-third between 1929 and 1933.
- D. The Medicare and Medicaid programs were inaugurated during the New Deal.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

182. Which statement is true?

- A.** President Eisenhower did not attempt to undo the legacies of the New Deal, such as Social Security and unemployment insurance.
- B. There was a major tax increase in 1964.
- C. A war in Vietnam and a "war on poverty" in the Johnson Administration helped to reduce the federal budget deficit.
- D. None of the choices are true.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

183. During George W. Bush's presidency

- A. the job market was quite robust.
- B.** our federal budget deficit hit a record high.
- C. the federal budget surpluses in the last years of the Clinton presidency continued.
- D. we experienced a very high inflation rate.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

184. Which of the following is false?

- A. The U.S. has had twelve recessions since January 1945.
- B. The U.S. has had a great deal of stagflation in the 1970s.
- C. The U.S. has not had a depression since the 1930s.
- D.** The U.S. had rising inflation all throughout the 1990s.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

185. Which statement is true?

- A. Subsidy payments to farmers were almost completely phased out in 2007.
- B. The so-called new economy of the 1990s was neither new, nor very different from the economy of the previous 25 years.
- C. Until the time of the Great Depression, the United States was primarily an agricultural nation.
- D.** There were no recessions during the presidency of Bill Clinton (January 1993–January 2000).

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

186. Which of the following describes what happened to the economy of the South after the Civil War?

- A. The South, with the aid of new capital investment, public and private, became industrialized two decades after the Civil War.
- B. The transcontinental railroads that were completed in the 1860s, 1870s, and 1880s played a key role in the industrialization of the South in the 1880s and 1890s.
- C.** The South remained the poorest region in the country until the growth of the Sun Belt took off in the 1960s.
- D. The South remained a largely agricultural section of the economy until the 21st century.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

187. Which of the following is true?

- A. The completion of the transcontinental railroad system in the 1880s eventually made the United States the world's first mass market.
- B. Southern manufacturers were hurt by the high protective tariffs of the 19th century that kept out cheaper British manufactured goods.
- C. The national railroad network created an "American economy" rather than just a series of regional economies located in one country.
- D. Agricultural inventions such as John Deere's steel plows greatly improved farm productivity.
- E.** All of the choices are true.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

188. Ransom E. Olds

- A.** was the first automobile manufacturer to use a division of labor and an assembly line.
- B. was the first automobile manufacturer to manufacture a standardized engine with interchangeable parts.
- C. sold millions of cars at a small unit of profit that allowed his company to dominate the industry.
- D. All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

189. Comparing the United States economy in the 1920s with the economy in the 1990s, all of the following were similar EXCEPT

- A. both decades had strong economic expansion.
- B. both decades had soaring stock markets.
- C. both decades had rapid technological progress.
- D.** both decades had the federal government take a laissez-faire approach to the economy.

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

Chapter 01 - A Brief Economic History of the United States

190. Comparing the United States economy in the 1920s with the economy in the 1990s, both decades

- A. had slow economic growth.
- B. had a lack of any government regulation of the stock market.
- C. suffered from economic depressions.
- D.** had soaring stock markets.

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

191. The longest economic expansion on record lasted

- A. almost five years
- B. almost six years
- C. nine years
- D.** ten years
- E. almost twelve years

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

192. Which of the following wars consumed almost half of our nation's total output?

- A. The Civil War
- B. World War I
- C.** World War II
- D. The Vietnam War

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

193. The United States experienced a depression in which of the following decades?

- A. The 1920s
- B. The 1940s
- C. The 1950s
- D. The 1970s

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

194. Which of the following was NOT a time period in which output in the U.S. sharply rose?

- A. World War I
- B. The Roaring Twenties
- C. The early 1930s
- D. The 1960s
- E. The late 1990s

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

195. Statement I: Over the last two or three decades, our economy has become increasingly integrated with the global economy.

Statement II: While the global economy has caused the loss of millions of manufacturing jobs, so far white-collar jobs have not moved offshore.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

Chapter 01 - A Brief Economic History of the United States

196. In the 1990s our economy generated more than \_\_\_\_\_ million additional jobs.

- A. 5
- B. 10
- C. 15
- D.** 20

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

197. Which of the following was considered a mild recession?

- A. 1937–1938
- B. 1973–1975
- C. 1981–1982
- D.** 1990–1991

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

198. Which of the following is false?

- A. The completion of the national railroad network by 1890 led to the development of a national American market rather than just a series of smaller regional markets.
- B. Northern manufacturers benefited from high protective tariffs, which kept out cheaper British goods.
- C. The U.S. was the first mass-consumption society.
- D.** Aside from slavery, southern and northern agriculture were very similar.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

199. The massive shift of population and industry out the large central cities from the late 1940s through the 1960s was caused by

- A. terrorist attacks.
- B. the mechanization of agriculture.
- C. suburbanization.**
- D. the widespread use of electricity.
- E. fear of nuclear war.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

200. In the late 1920s, you could buy \$5,000 worth of stock by putting down as little as

- A. \$100
- B. \$200
- C. \$500**
- D. \$1,000
- E. \$2,500

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

201. Which of the following factors was NOT responsible for the decline in farmers as a percent of the U.S. population from after the Civil War to 1900?

- A. Falling prices for corn, wheat, and cotton
- B. The demand for food outstripped supply**
- C. New technology
- D. The government's liberal land policy that increased output

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

202. The recession of 1937-38 could be blamed on
- A. the Roosevelt Administration's deficit spending.
  - B. the Roosevelt Administration's attempt to balance the budget.**
  - C. the Federal Reserve's driving down interest rates.
  - D. a large tax cut.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

203. Henry Leland
- A. was the first automobile producer to use the movable assembly line.
  - B. was the first automobile producer to manufacture a standardized engine with interchangeable parts.**
  - C. sold millions of cars at a small unit of profit that allowed his company to dominate the industry.
  - D. all of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

204. Which government reform or program did not occur in the 1930s?
- A. The creation of the Federal Deposit Insurance Corporation (FDIC)
  - B. The GI bill of rights**
  - C. The creation of the Securities Exchange Commission
  - D. The Social Security System

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

205. Which is the most accurate statement?

- A. Our trade deficit is at a record level and will remain so for the foreseeable future.
- B. The economic response to the attacks on 9/11 was similar to the economic response to the attack of Pearl Harbor in 1941.
- C. The United States economy is almost self-sufficient.
- D. The year 2001 was one of the best in terms of economic performance for the United States.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

*Learning Objective: 01-07 Assess America's place in history.*

206. Each of the following took place in the 1930s EXCEPT

- A. the collapse of the entire international financial structure.
- B. a drought that became known as the Dust Bowl wiped out millions of farmers.
- C. all of the nation's banks were closed in the first week of March 1933.
- D. the fulfillment of the promise: "two cars in every garage" and "a chicken in every pot".

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

207. In the 1937–1938 economic downturn

- A. the number of unemployed rose dramatically by about 5 million.
- B. industrial production fell by 30 percent.
- C. presidential as well as Federal Reserve policy helped to cause the decline.
- D. All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

208. The "New Economy", a period marked by major technological change, low inflation, low unemployment, and rapidly growing productivity characterized

- A. the 1920s.
- B. the 1960s.
- C. the 1990s.
- D.** All of the decades listed.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

209. Which of the following industrial changes allowed the smallest start-up manufacturers to compete with great industrial capitalists?

- A. A positive trade balance at the turn of the 20th century.
- B. The completion of the national railroad network.
- C. The development of the moving assembly line as a division of labor in manufacturing.
- D.** The transition from private electric generators to centralized utility based power production.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

210. A freeze on wages and prices was introduced by President

- A.** Franklin Delano Roosevelt.
- B. Harry S. Truman.
- C. Dwight D. Eisenhower.
- D. John F. Kennedy.
- E. Lyndon B. Johnson.

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

211. Which statement about the United States at present is false?

- A. We have the world's largest economy.
- B. Our federal deficits have been at record highs for the last few years.
- C. The Social Security and Medicare trust funds are safe for at least the next two generations.
- D. In 2005, our savings rate fell below zero.
- E. We are borrowing almost \$2 billion a day from foreigners to finance our trade and budget deficits.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Easy*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

212. At the end of World War I (1918), the United States

- A. emerged as the world's leading industrial power.
- B. was the world's largest economy.
- C. was the largest consumer market.
- D. had become the greatest military power.
- E. All of the choices are true.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

213. Statement I: The dissolving of the Soviet Union in 1991 resulted in a "peace dividend" for the United States that enabled us to divert tens of billions of dollars a year from military spending toward much more productive uses.

Statement II: By the end of the 20th century the United States faced no economic problems and "we were clearly at the top of our game".

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

214. Statement I: The abuse of power by the industrial capitalists at the end of the 19th century led to the rise of labor unions and the passage of antitrust legislation.

Statement II: The widespread bank failures of the 1920s became even worse in the early 1930s.

- A. Statement I is true and statement II is false.
- B. Statement II is true and statement I is false.
- C. Both statements are true.
- D. Both statements are false.

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

215. Since the millennium, job growth is

- A. growing.
- B. about the same as it was in the 1990s.
- C. lagging.

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-07 Assess America's place in history.*

#### **Fill in the Blank Questions**

216. In the years before the Civil War, Southern states, because of high protective tariffs, were forced to buy most of their manufactured goods from \_\_\_\_\_.

**the North**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

## Chapter 01 - A Brief Economic History of the United States

217. The stock market crashed in the year \_\_\_\_\_.

**1929**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

218. In the 1980s, the U.S. had recessions in \_\_\_\_\_ and \_\_\_\_\_.

**1980; 1981–1982**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

219. The last year (s) of very high inflation was (were) \_\_\_\_\_.

**1981 and 1982**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

220. The New Deal may be summarized by the words, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

**relief; recovery; reform**

*AACSB: Reflective Thinking*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

221. About \_\_\_\_\_ percent of the money the government has been paying in farm subsidies has been going to large corporate farms.

**75**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

222. The presidents most closely associated with the Great Depression were \_\_\_\_\_ and \_\_\_\_\_.

**Herbert Hoover; Franklin D. Roosevelt**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

223. The worst recession since the Great Depression occurred in the years \_\_\_\_\_ to \_\_\_\_\_.

**2007; 2009**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

224. The Social Security Act was passed during the administration of President \_\_\_\_\_.

**Franklin D. Roosevelt**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

225. The three main crops of the nation from the end of the Civil War to the turn of the century (1900) were (1) \_\_\_\_\_, (2) \_\_\_\_\_; and (3) \_\_\_\_\_.  
**cotton; wheat; corn**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

226. The Great Depression really began in the second half of the year \_\_\_\_\_.  
**1929**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

227. The building of the \_\_\_\_\_ were the key development in opening the era of mass production and mass consumption.  
**transcontinental railroads**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

228. Andrew Carnegie was largely responsible for the development of the \_\_\_\_\_ industry; while John D. Rockefeller was largely responsible for the development of the \_\_\_\_\_ industry.  
**steel; oil**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

229. Today about \_\_\_\_\_ % of all Americans live on farms.

**1.52 [4,500,000 divided by 303,766,000]**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

230. President Eisenhower considered his main economic task as \_\_\_\_\_.

**lowering the rate of inflation**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

231. The greatest expansion of the automobile industry occurred in the decade of the \_\_\_\_\_.

**1920s**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

232. In 1929 we produced over \_\_\_\_\_ million motor vehicles.

**5**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

233. Between 1921 and 1929 national output rose about \_\_\_\_\_%.

**50**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

234. Promises of "a chicken in every pot" and "two cars in every garage" were made by presidential candidate \_\_\_\_\_.

**Herbert Hoover**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

235. The recession of 1937-38 had two basic causes: (1) \_\_\_\_\_; and (2) \_\_\_\_\_.

**the federal government tried to balance its budget; the Federal Reserve slowed the growth of the money supply**

*AACSB: Analytic*

*Bloom's: Understand*

*Difficulty: Hard*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

236. In the 1970s we had \_\_\_\_\_ recessions and in the 1980s we had \_\_\_\_\_ recessions.

**2; 2**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

237. In 1790 the average farmer fed \_\_\_\_\_ people; today the average farmer feeds \_\_\_\_\_ people.  
**4.5; 100**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

238. The basic reason why farm prices have declined has been that \_\_\_\_\_.  
**supply has outrun demand**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

239. What two main things did returning veterans want to buy after World War II?  
\_\_\_\_\_.  
**Cars and houses**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

240. The federal government facilitated suburbanization by providing \_\_\_\_\_ and \_\_\_\_\_.  
**low-cost, easy-term mortgages; highways**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

241. Japan did not lead the world in automobile production in the 1950s because

\_\_\_\_\_.

**Japan's industrial plant had been destroyed during World War II**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Easy*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

242. In the early 1950s the two new factors that stimulated our economy were \_\_\_\_\_  
and \_\_\_\_\_.

**the Korean War; the advent of television**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

243. The two economic conflicts between the North and the South that led to the Civil War were (1) \_\_\_\_\_ and (2) \_\_\_\_\_.

**the high protective tariff; the extension of slavery into the territories**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Hard*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

244. In the year \_\_\_\_\_ the stock market crashed, while the economy went into a major economic decline which lasted until the year \_\_\_\_\_.

**1929; 1933**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

245. Mass production is possible only if there is also \_\_\_\_\_.  
**mass consumption**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

246. After World War II millions of mortgages were provided by two federal government agencies, the \_\_\_\_\_ and the \_\_\_\_\_.  
**Veterans Administration; Federal Housing Administration**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

247. Since the Civil War, the poorest section of the country has been the \_\_\_\_\_.  
**South**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

248. During World War II, the federal government instituted \_\_\_\_\_ to keep down inflation.  
**price controls (and wage controls)**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

249. At the time of the Civil War the most important crop in the South was \_\_\_\_\_.  
**cotton**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Easy*

*Learning Objective: 01-01 Summarize America's economic development in the 19th century.*

250. The economic recovery program begun by the Roosevelt Administration to end the Great Depression was known as the \_\_\_\_\_.  
**New Deal**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-02 Describe the effect of the Great Depression on our economy and evaluate the New Deal measures to bring about recovery.*

251. In 1941 Henry Luce coined the term \_\_\_\_\_ to describe the magnitude of America's economic and military prowess.  
**"The American Century"**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-07 Assess America's place in history.*

252. Farms with sales of more than \$250,000 account for \_\_\_\_\_ percent of U.S. agricultural sales.  
**75**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

253. The record for the longest U.S. economic expansion started in March \_\_\_\_\_ and ended in March \_\_\_\_\_.  
**1991; 2001**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

254. Since the beginning of 1945 there have been \_\_\_\_\_ recessions in the United States.  
**12**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

255. The major cause of the recession in 2001 was a decline in \_\_\_\_\_ spending.  
**investment**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

256. The housing developments that were made up of identical, prefabricated houses, quickly built after World War II to meet the high demand for housing were produced by

\_\_\_\_\_.  
**William Levitt construction**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

257. This president made the campaign promise: "Read my lips: no new taxes."

\_\_\_\_\_  
**George H.W. Bush**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-05 Summarize the economic highlights of each decade since the 1950s.*

258. During World War II, \_\_\_\_\_ percent of our nation's output was devoted to the war effort.

**40**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Hard*

*Learning Objective: 01-03 Discuss the impact of World War II on our economy.*

259. What was very unusual about the 2001 recession, was that consumer spending

\_\_\_\_\_  
**continued to rise**

*AACSB: Analytic*

*Bloom's: Analyze*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

260. The U.S. population is over \_\_\_\_\_ million.

**300**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-07 Assess America's place in history.*

261. The worst recession we had since World War II occurred in \_\_\_\_\_.  
**2007–2009**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-04 List and discuss the major recessions we have had since World War II.*

262. The dissolving of the \_\_\_\_\_ in 1991 resulted in a "peace dividend" for the United States that enabled us to divert tens of billions of dollars a year from military spending to much more productive uses.

**Soviet Union**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

263. The bursting of the \_\_\_\_\_ market was largely responsible for setting off the Great Recession.  
**housing**

*AACSB: Reflective Thinking*

*Bloom's: Remember*

*Difficulty: Medium*

*Learning Objective: 01-06 Differentiate the "new economy" from the "old economy."*

*Learning Objective: 01-07 Assess America's place in history.*