

QUIZ

1. Economists often measure standard of living by focusing on ___:

- A the level of government spending
- B real gross domestic product per capita
- C the number of cars per household
- D the rate of homeownership

2. A higher standard of living depends largely on ___ :

- A more government spending
- B higher productivity
- C lower taxes
- D protecting American industries from foreign competition

3. Labor productivity measures ___.

- A the average output that an hour of labor produces
- B the amount of money left in your paycheck after taxes and deductions
- C the speed of an assembly line
- D the number of hours a factory is in operation during the course of a year

4. In 1890, an American factory worker earned an average of ___ a year.

- A \$475
- B \$4,750
- C \$14,750
- D \$40,750

5. During the second half of the 19th century, real wages increased for American workers. Real wages measure ___.

- A whether or not a worker is paid in cash
- B the amount of money a worker has left after taxes and other deductions
- C the amount a worker earns plus the amount of employer-paid health benefits
- D the amount a worker earns, adjusted for the rate of inflation

6. An American born in 1900 could expect to live 47.3 years. An American born in 2000 could expect to live ___ years.

- A 57.3
- B 65.7
- C 72.6
- D 77.0

7. In 2000, 99 percent of all U.S. households had a flush toilet. In 1900, approximately ___ percent had one.

- A 10
- B 20
- C 30
- D 40

8. Labor-saving machinery, standardized parts, and efficient organization made it possible for 19th century manufacturers to increase their output and ___.

- A reap windfall profits
- B achieve lower costs through “economies of scale”
- C play a zero-sum game
- D create monopolies

9. Individuals spend their own time and money to take night school courses, taxpayers agree to fund a public school system, businesses conduct training to improve the skills of their employees, Congress approves funds for a school lunch program — all these are examples of:

- A socialism
- B marginal utility
- C investing in human capital
- D entrepreneurship

10. In 1910, only 13.5 percent of the U.S. population had graduated from high school. By 1960, the number had risen to 41.0 percent. And in 2000, ___ percent were high school graduates.

- A 61.4
- B 73.6
- C 84.2
- D 98.6

11. The trip from Boston to New York takes approximately 4 hours by car. In 1800, it took ___ hours by stagecoach.

- A 12
- B 24
- C 50
- D 74

12. In 1800, 73.7 percent of the U.S. labor force worked in agriculture, but by the year 2000 the number had dropped to ___ percent.

- A 2.3
- B 13.2
- C 23.1
- D 32.9

ANSWERS

1. Economists often measure standard of living by focusing on ___:

B. real gross domestic product per capita — how much each person's share of the gross domestic product would be if it were divided into equal shares and adjusted for inflation.

2. A higher standard of living depends largely on ___ :

B. higher productivity

If there's one thing that most economists agree on, it's this: Improvement in our material standard of living depends on increased productivity.

3. Labor productivity measures ___.

A. the average output that an hour of labor produces

4. In 1890, an American factory worker earned an average of ___ a year.

A. \$475 a year but that's an average for all workers, including lower-paid farm workers.

5. During the second half of the 19th century, real wages increased for American workers. Real wages measure ___.

D. the amount a worker earns, adjusted for the rate of inflation

6. An American born in 1900 could expect to live 47.3 years. An American born in 2000 could expect to live ___ years.

D. 77.0 years

7. In 2000, 99 percent of all U.S. households had a flush toilet. In 1900, approximately ___ percent had one.

A. Only 10 percent of all U.S. households had flush toilets in 1900.

8. Labor-saving machinery, standardized parts, and efficient organization made it possible for 19th century manufacturers to increase their output and ___.

B. achieve lower costs through "economies of scale".

9. Individuals spend their own time and money to take night school courses, taxpayers agree to fund a public school system, businesses conduct training to improve the skills of their employees, Congress approves funds for a school lunch program — all these are examples of:

C. investing in human capital

10. In 1910, only 13.5 percent of the U.S. population had graduated from high school. By 1960, the number had risen to 41.0 percent. And in 2000, ___ percent were high school graduates.

C. 84.2 percent

11. The trip from Boston to New York takes approximately 4 hours by car. In 1800, it took ___ hours by stagecoach.

D. 74 hours — with overnight stops in Worcester, Hartford, and Stamford.

12. In 1800, 73.7 percent of the U.S. labor force worked in agriculture, but by the year 2000 the number had dropped to ___ percent.

A. 2.3 percent