

Exploring Economics

Student Review

Exploring Economics Student Review

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A Note to Parents

The *Exploring Economics Student Review Pack* is a tool to measure your student's progress as he or she studies *Exploring Economics*. It includes three books: the *Student Review*, the *Quiz and Exam Book*, and the *Answer Key*. This material is intended to enhance your student's study of economics. Please do not let it become a burden. Students should focus on learning about economics, as they enjoy the literature and the primary documents and grow in their understanding of God's will concerning economics. We pray you and your student have a successful study!

Student Review

The material in the *Student Review* is arranged in the order in which students will come to it as they study the course. The assignment box at the end of each lesson in *Exploring Economics* prompts your student as to when to complete the material in this book.

Review Questions. The *Student Review* includes review questions on each lesson, plus questions over each of the four literature titles we suggest students read as they study *Exploring Economics*. Many parents require their students to write out answers to these questions on paper or on a computer; however, that is certainly not required. Other parents and students discuss the questions orally, and some parents use them for family discussion. If your student writes the answers on paper, we suggest that he or she answer them in a spiral notebook or on notebook paper which he keeps in a three-ring binder. These answers will be helpful for studying for quizzes and exams.

Literary Analysis. We love good books. We have carefully selected the literature titles that are assigned with this course. If you want your student simply to read and enjoy the books, we think that is wonderful. If you would like them to dig a little deeper and analyze the literature, you can have your student read the literary analysis and answer the literature questions we have included in this book. The activities at the end of the lessons in the *Exploring Economics* text will tell the student when to answer the questions and read the analyses. As we said above, please do not let any of this material become a burden.

After this Note to Parents, we have included "Who, What, How, Why, and Why Not: A Primer for Analysis of Fiction" (to be read after Lesson 1) and "What Do You Think About What He Thinks? A Primer for Analysis of Non-Fiction" (to be read after Lesson 36). Your student will be given a reminder when it is time for him or her to read these sections.

Quiz and Exam Book

The *Quiz and Exam Book* contains a quiz over each unit and also comprehensive exams that cover five units each. The assignment box at the end of each lesson in *Exploring Economics* prompts your student to take a quiz at the end of each unit and to take the comprehensive exams after every five units. Each of these exams includes material from the previous five units. The quizzes and exams have been designed so that you can tear out one at a time and have your student write directly on that piece of paper.

Preparing for Quizzes. To prepare for a unit quiz, the student should look back over the review questions and answers for the lessons from that unit.

Preparing for Exams. To prepare for the comprehensive exams, the student should review the quizzes and answers from each of the previous five units.

Answer Key

The *Answer Key* contains the answers to the review questions, quizzes, and exams, as well as the answers to questions about the literature. The number in parentheses after an answer indicates the page number on which that answer is found in *Exploring Economics*.

Who, What, How, Why, and Why Not: A Primer for Literary Analysis of Fiction

People read books. Some books (think Shakespeare, Charles Dickens, and Jane Austen) are still widely read decades and even centuries after they were written. Many, many books (think of the highly forgettable ones you see in used book sales—over and over) are a flash in the pan or are even less noticeable. What's the difference? Is it just that most people like this book and most people dislike that one? Sort of, but it is more nuanced than that.

Literary analysis is studying the parts of a work of literature (such as plot, setting, characters, and narration) to see how the author uses them to create the overall meaning of the work as a whole. Professors, teachers, students, critics, and everyday people analyze works of literature: novels, short stories, poems, and non-fiction. They think about the story or plot of the book, how it develops, the characters in the book, the words and structure that the author uses, and other elements of the work.

People who analyze literature have developed standard methods. Primarily, this involves looking for elements that are found in most literary works. The purpose of literary analysis is to understand how a piece of literature works: how the writer constructs his or her story, and why the work affects readers the way it does.

Did you ever see yourself doing literary analysis? Does the phrase “literary analysis” make washing dishes or chopping firewood seem exciting? I understand. But it is more interesting than it might sound. Think of it as finding the answers to some big questions: “What makes a story good?” “What are the building blocks of great writing?” “Why do I keep thinking about that book and want to read it again?” “What is the difference between a book you stay up late to read and one that should be repurposed as a fire starter?” Even if you don't want to make a lifelong habit of literary analysis, as an educated person you should know the basics of how it works. It can also be kind of fun.

Literary analysis can help you appreciate the power of a work of literature. It can provide you with insights for a deeper appreciation of the next novel (or poem or history) you read. On a practical level, literary analysis is often what a classroom teacher wants students to do in order to understand a book. So literary analysis is good as long as it is a means to a good end and achieves a worthy goal. However, if literary analysis becomes an end in itself, or a way to show how much someone knows or thinks he knows about literature, or something that gets in the way of enjoying a work of literature, it no longer serves a good purpose. In other words, literary analysis has its place; but it is not the purpose of literature.

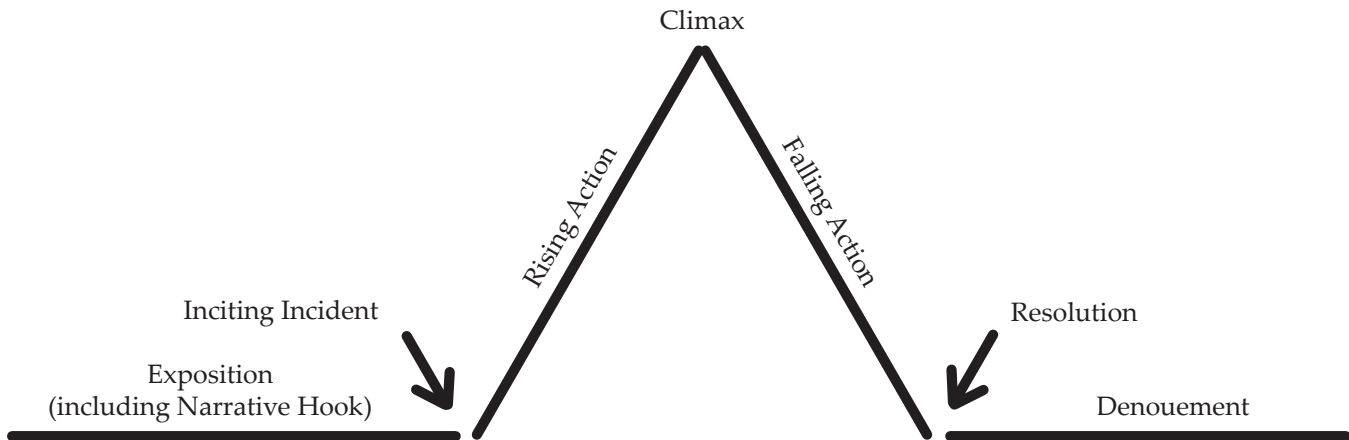
Writers do not write in order to have their work subjected to literary analysis. Nathaniel Hawthorne did not write *The Scarlet Letter*, nor did Charles Dickens write *A Tale of Two Cities*, for English teachers to analyze them to death or so that professors would have material for exams. They wrote because they had stories to tell; they wanted to connect on an emotional level with readers. These authors were successful because they did that well, and this is why their books are considered classic works of literature.

Here are some standard elements of literary analysis.

Plot

The **plot** is the story of a piece of **fiction**. Fiction is a work of imagined narrated prose, usually either a novel or a short story. The plot is what happens to make it a story.

Gustav Freytag was a nineteenth-century German novelist who found a typical pattern of plot development in Greek and Shakespearean dramas. The same pattern is found in most fictional literature. Freytag depicted it as a pyramid.



The examples below refer to *The Lion, the Witch, and the Wardrobe*.

Exposition: *laying out the situation and background, introducing the characters. (Within this element will often be a **narrative hook**, an event or description that gets you interested in the story and wanting to read more.)* Four children come to stay in a professor's country home. The narrative hook is when Lucy finds a magic wardrobe in a back room and visits Narnia: what will happen next?

Inciting incident: something that gets the story moving.

Lucy meets the faun, who expresses inner conflict over what he is doing.

Rising action: building drama; each significant event is called a complication.

All four children go to Narnia, they meet the Beavers, Edmund betrays his siblings to the White Witch, and so forth.

Climax: the single key event or turning point; the moment of greatest tension.

Aslan sacrifices his life on behalf of Edmund.

Falling action: events that occur as a result of the climax.

The good and evil creatures in Narnia have a battle.

Resolution: the event in which the main issue is resolved.

Aslan's side wins. The four children are established as kings and queens.

Denouement (day-new-maw): the finishing out and tying up of the details of the story.

The four children grow up, rule Narnia, and then return to their own world.

Freytag's Pyramid is only a typical plot development. It accurately describes the plots of many pieces of fiction, but there are many variations and exceptions. Writers do not necessarily write to the Freytag Pyramid. Don't try to force a work into the pyramid if it doesn't seem to fit. In addition, people will sometimes have different ideas about what is the narrative hook, inciting incident, resolution, or even the climax in a really dramatic story.

The key question to ask about the plot of a piece of literature is, “What is the **conflict**?” What is the issue that the main character needs to resolve? Is it conflict within himself, perhaps between what he wants and what he actually has? Is it a conflict between himself and another character, or between himself and the expectations of others? Is it the conflict of wanting to reach a goal but being unable to do so? What keeps or moves the character out of stability and causes tension? The tension between Pip and Estella is one conflict in *Great Expectations*. The quest for the ring is a continuing conflict in *The Hobbit* and *The Lord of the Rings* trilogy. A skillful writer might have several lines of conflict in a work and interweave them into a gripping **narrative**. Conflict and struggle are how we grow as persons, so the conflict in a story is an important way for us to identify with the characters in the story.

The time, place, and social environment of a story is the **setting**. The plot unfolds in these surroundings. Is the story set among the working class of early nineteenth-century England, among fishermen of first-century Israel, among slaves in the southern United States just before the Civil War, or among homeschooling families of twenty-first century America? The setting will affect what characters know, their assumptions and aspirations, and how they act and speak. The geographical setting always impacts the development of the story: isolated mountain villagers will act and speak differently from urban dwellers. The rural and urban settings—and the conflict between them—in *Cry, the Beloved Country* are crucial to the story.

Another key element of the plot is the **structure** of the story, how it is told. A straight **chronological narrative** is simplest, but an author might want to use **flashbacks** (descriptions of events that happened earlier, out of chronological order) and **foreshadowings** (hints at things that will come later) to convey attributes of characters or particular feelings to the story.

Archetypes (ARK-eh-types) are typical or standard plot elements, such as a character on a quest, the pursuit of an elusive goal, the loss of innocence, or an initiation into a new situation. Many of the world’s most famous works of literature include one or more of these elements because these situations make for a good story. Everyone goes through these times or has these dreams.

Characters and Characterization

- The **characters** are the people in a story.
- The **protagonist** is the main character of the story (Jo in *Little Women*).
- The **antagonist** is the character who works against the protagonist and provides some degree of conflict (the White Witch in *The Lion, the Witch, and the Wardrobe*).
- The **confidant** is someone to whom a character reveals his thoughts and motives (Margaret plays this role for Bessy and Mr. Bell plays this role for Margaret in *North and South*).
- The mentor teaches another character about life (Marmee in *Little Women*).
- A **foil** is often a minor character who by being a contrast illuminates another character (for instance, the slick operator who serves to highlight the integrity of the protagonist).
- Other typical characters are the **hero** (Sir Percy Blakeney, the Scarlet Pimpernel), the **scapegoat** (Tom Robinson in *To Kill a Mockingbird*), and the **buddy pair** (Don Quixote and Sancho Panza).

- A **round character** is three-dimensional, one whose personality is well-developed and who has some internal struggles expressed. In other words, he is believable and realistic. David Copperfield is a round character. A **flat character** is not developed in the story (Jethro in *The Cat of Bubastes*). A **stock character** portrays a stereotypical role, such as the cruel stepmother in *Cinderella*, the slow and dimwitted policeman, or the unemotional accountant. A stock character might be round or flat. A **dynamic character** changes during the story (matures or regresses, as Margaret Hale does in *North and South*), while a **static character** does not change (Fanny in *North and South*). A good author uses each character to advance the story in some way, not just to clutter the pages.

Characterization is the way that the author reveals the nature and personality of the characters. This is how the author makes a character real. What do you learn about a character in the course of the story? How do you learn about him or her? The narrator might tell the reader about a character (**direct characterization**), or the author might reveal a character's attributes by what the character says or does (**indirect characterization**). Typical methods of indirect characterization include a character's actions and his effect on others, a character's dress and appearance, how he talks and what he says, and the thoughts he reveals. The author might convey information about a character through his interactions with others, by what others say about the character, or by discrepancies between the character's reputation and his real actions or between what he says and what he does. A narrator (and through the narrator the author) might express an evaluation of a character by comments he or she makes. If a character grows or changes, how does the author show this: insights that she gains, experiences that teach her lessons, or by demonstrating different ways of acting or speaking over the course of the story?

Conflict within a character or between characters can be distinct from conflict in the story. In *A Tale of Two Cities*, for example, the conflict between the Defarges and the other French revolutionaries on one hand and the French aristocracy on the other is different from the conflict within Sydney Carton himself. What does a character do about conflict? Does he try to escape it, does he repress it, or does he address it?

Narrative

The Narrator. Who is telling the story? One key element of the narrative is the point of view of the narrator. The narrator might be **first person**, a character in the story. A first person narrator might be a major or a minor character in the story. The character David Copperfield is the first person narrator of the Charles Dickens novel by that name; the first-person narrator Ishmael in *Moby Dick* is a relatively minor character in that book. A narrator might be **third person**, one who is not a character in the story. The narrator might be **omniscient**, meaning that he or she knows the thoughts and motives of each character, or he might be **limited omniscient**, knowing the thoughts and motives of just one person. A narrator might be **objective**, not knowing anything about the inner thoughts of the characters except what the characters themselves reveal. One way to describe an objective narrator is that he knows and conveys only what a camera sees. A rare form of narration is **second person**, by which the author describes the reader himself going through the events of the story. Another rare form of narration is the **stream of consciousness** approach, in which the narrator relates the jumble of his own (or one character's own) thoughts as they occur to him. William Faulkner's *The Sound and the Fury* is told in a stream of consciousness approach.

An author chooses the narrative approach for a reason. In *Great Expectations*, the reader has much more sympathy for Pip, the main character and first person narrator, than he would if the story were told by a third person narrator, although Dickens used third person narrators in many of his works.

Narrative Mood. What is the **mood** or **tone** of the narration? Is the narrator light-hearted, angry, skeptical, condescending, or sad and defeated? The mood of the characters might be different from the tone the author conveys. The characters might be harsh and judgmental, but the narrator could be sympathetic to the victims of the harshness. Simon Legree is a harsh character in *Uncle Tom's Cabin*; but the author/narrator Harriet Beecher Stowe is sympathetic to Tom, the target of Simon's harshness. The author might have an agenda or cause he is trying to get across through the way the book is narrated. A rare approach is the unreliable narrator who is so prejudiced that the reader cannot trust what the narrator says and has to filter what the narrator says to determine the truth. It is possible for an author to have a tone or agenda that is different from the tone or agenda of the narrator. For instance, the author might want to condemn the lifestyle of the rich and famous. To do so he makes the narrator so fawning toward and accepting of the rich and famous that it turns the reader off. This is a subtle form of sarcasm as a tone.

Narrative Style. An author will use a particular **style**, such as formal or colloquial language, or take a logical or emotional approach to the story. Does the author use **dialog**, which is the recording of direct quotes of conversations between characters, to advance the story?

Literary Techniques. How does the author use words to tell his story? He has several tools at his disposal.

- **Imagery** is using descriptive language to convey appearance or other attributes. It is painting pictures with words. Compare "We walked between two large rocks and came to a big field" to "The narrow passage between the towering cliffs opened into a meadow lush with wildflowers."
- **Simile** is a comparison using like or as. "His encouragement was like a breath of fresh air to me."
- **Metaphor** is a comparison in which one thing is said to be another. "You are a rock of stability to me."
- **Symbolism** is the use of one thing to represent another. Literature often uses **archetypical symbols** to convey certain ideas: night often portrays mystery or evil; a mountain can represent an obstacle to overcome; winter and spring can represent death and rebirth.
- **Allegory** is an extended comparison, in which every or almost every character or event represents something else. *Animal Farm* is an allegory of the Russian Revolution.
- **Apostrophe** is addressing someone who is not present or something that is not human. "Caesar, thou are revenged" (from *Julius Caesar*, spoken after Caesar was dead).
- **Synecdoche** (sih-NEK-doh-key) is using a part for the whole. "Ten thousand feet marched down the street to an endless beat of drums" (people marched, not just feet).

- **Metonymy** (meh-TONN-eh-mi) is substituting one term for another because of the close association between the two. “The White House announced a new economic stimulus package today” (meaning the president or an administration official did so, not the physical structure at 1600 Pennsylvania Avenue in Washington, D.C.).
- **Hyperbole** is intentional overstatement. “I think of you a million times a day.”
- **Litotes** (LIH-tuh-teez) is intentional understatement. “His donation to the charity was not insignificant” (meaning it was significant).
- **Irony** is a contrast between appearance and reality. Irony can be situational (a man proposing marriage to a woman in a comical setting such as being stuck in a elevator, or characters trying to keep from laughing out loud in a quiet museum), verbal (one character doing something foolish and another character saying the opposite, such as, “That was an intelligent thing to do!”), or dramatic (the reader knows more than the character does, so the reader knows that it is ironic that the character is doing this because it is fruitless or dangerous).
- **Oxymoron** (ox-ee-MORE-on) is a contradiction in terms. “The silence was deafening.”
- **Paradox** is a phrase or statement that appears to be contradictory but in fact might convey a deep truth. “I know that I know nothing at all.”
- **Antithesis** is putting together two opposite ideas to achieve the effect of a contrast. “It was the best of times, it was the worst of times.”
- **Personification** is the giving of human traits to non-human things. “The trees waited eagerly for the rising of the sun.”
- **Alliteration** is the repetition of the same initial verbal sound. “Billy bounced a ball by the backyard barbecue.” To be more specific: assonance is the repetition of the same vowel sound; consonance is the repetition of the same consonant sound. Alliteration gives rhythm to a statement or phrase that can increase its emotional impact. “And the raven, never flitting, still is sitting, still is sitting/On the pallid bust of Pallas just above my chamber door.”

Topic and Theme. A book will usually have a topic and a theme. These are two different attributes even though they sound similar. A **topic** is a brief description of the book, such as, “The French Revolution,” “How Lenin’s Communist Russia operated,” or “Life in a nineteenth-century English factory town.” A **theme** can usually be stated in one sentence and often expresses a universal idea that the story conveys. *Cry, the Beloved Country* is about redemption, making something good out of something bad. The theme of *North and South* is prejudice.

How does the author deal with the conflict and the theme? The author might convey his belief that the conflict is a result of the protagonist’s outdated or irrational mindset; if the character would be more open-minded, he would not have this conflict. The theme might be the privilege of the wealthy, which the author approaches with sarcasm because he thinks the wealthy ought not to have such privilege.

Your Response to the Story

As you read a work of literature, whether fiction, poetry, or non-fiction, interact with the text. Even more, interact with what the text is saying about life, or history, or whatever the topic is, and what the text says to you and about you. Are the plot and characters realistic and plausible? If they are unreal, does the author intend for them to be unreal and does this approach work? How are the characters products of their time and place and social setting and how do they transcend their setting? What is especially meaningful to you in terms of particular scenes, characters, dialog, or overall impact? How does the story make you feel (which is different from what you think about it)? How does it make a difference for you?

Literary analysis is helpful when it clarifies how the author constructed the work. You can more deeply appreciate what he or she did and how the work conveys the intended message and mood. However, literary analysis can sometimes be emphasized to the point of making it seem more important than the work itself; and an analyst can come up with ideas about a work that the author never had in mind. Much of literary analysis is and should be subconscious on the part of the reader, the way we enjoy a good meal without over-analyzing all of the individual ingredients (although you should compliment the cook, and, if you are interested, ask how he or she prepared it). As you give thought to literary analysis, you can better appreciate the mental feast offered to you by what you read.

What Do You Think About What He Thinks?

A Primer for Analysis of Non-Fiction

A non-fiction article, essay, or book has a different approach from a work of fiction. It will likely make an argument, teach, or convey information. Of course, a work of fiction might also be an attempt to make an argument, teach, or convey information; but non-fiction presents the information and the author's perspective in a straightforward manner. The non-fiction piece might be in the form of a story; but it is a story from real life, as in a biography.

Part of education is considering perspectives other than your own and developing your response to them. In a persuasive work, a writer has something to say that he hopes others will at least consider and perhaps agree with. Even the author of a biography writes for a purpose, not only to inform but perhaps also to convince readers about something regarding his subject: that he was instrumental in a war, or influential in Congress, or had some other significant impact.

By reading a work of non-fiction, you might be confirmed in what you believe about something or you might be convinced that you need to change your opinion. You might obtain more information that helps you have a more realistic perspective on an issue. You shouldn't fear this process. You don't want to cast aside basic truth and fall for every new idea you hear, but part of growing and maturing is gaining a more complete understanding of truth. No one has a grasp of all truth or the perfect application of that truth in every situation. Everyone can grow in some areas of life, whether that means learning more truth or learning the application of the truth you know to more situations. This process is part of growing in what the Bible calls discernment (see Hebrews 5:13-14).

A text can be any written material. We analyze every text that we read, whether it is an encyclopedia article, a book of political commentary, or an advertisement, even if only briefly and subconsciously. As with the analysis of fiction, we don't want to lose the joy of reading by over-analyzing, but it is good to do serious and conscious analysis for several reasons. Analysis will help you understand the meaning and purpose of a text; you might even discern a meaning beneath the surface. It can help you connect the text with its background, such as the time in which it was written or something about the author. You can profitably compare the text with other texts to see which are more consistent and believable. Analyzing a text can help you prove a thesis. A summary of a text is a report of its content, but an analysis of a text is an evaluation of its meaning and significance.

In analyzing a work of non-fiction, you want to ask questions of the text. You probably won't answer every question below about every text, but here are things to consider when analyzing non-fiction:

- What is the author's point or purpose?
- What is the argument he is making?
- What is the motivation for the piece? What problem does it address?
- What evidence or logic does he use to support his thesis?
- What is the context from which the author writes (time, place, point of view, background and experience)?

- What assumptions does the author bring to writing this piece?
- What words or ideas are repeated? These will often be clues to the author's point.
- What word choices seem significant? Does the author use any figures of speech to make his argument more persuasive?
- What is the structure of the text? For instance, *The Art of War* is a series of pithy observations and bits of advice, *Here I Stand* is a scholarly biography, *Bridge to the Sun* is a memoir, and *The Abolition of Man* is based on a series of lectures. How does the author build his argument through the work? How does the structure help make the author's point?
- What are the key passages in the work, and why are they important?
- What is surprising, odd, or troubling in the text? (These parts are likely challenging your current understanding.)
- What contradictions and inconsistencies do you find in the text?
- What assumptions do *you* bring to the text?
- Is the text convincing to you? Why or why not? (It is entirely likely that you will agree with some things and disagree with others.)
- What questions do you have after reading it? What further study do you need to do?

When you write an analysis of a non-fiction work, gather your information, impressions, and answers to these questions, then write a coherent essay that responds to the piece. Depending on the length of your essay, you will probably want to summarize the author's purpose and argument, emphasize the central points as you see them, note where you think the author is correct and where he is mistaken, and where he is effective and where he could have expressed his ideas differently. Keep in mind the nature of your assignment, what the teacher expects from you, and what the reader of your analysis needs to understand about the work you are analyzing and about your response to it.

The author whose work you have read wants you to think. Show that you have thought. Expressing your thoughts on paper indicates how well you understand what he has said and, more importantly, how well you understand your own thoughts about the subject.

Unit 1

Lesson 1

1. How did Alfred Marshall define economics in *Principles of Economics*?
2. What is the meaning of the Greek word *oikonomos* from which we get the word *economics*?
3. In previous generations, the word *economy* primarily referred to the management of what?
4. Today the words *economize* and *economical* usually refer to what?
5. List three jobs that economists do.
6. How does *Merriam-Webster's Eleventh Collegiate Dictionary* define economics?
7. Production involves the supply of what?
8. Getting goods and services to the public is called what?
9. Individuals, households, businesses, and governments purchasing and using goods and services is called what?
10. What would you like to learn from your study of economics?

Lesson 2

1. An economy in which some authority (usually the government) dictates what and how much producers will produce is what type of economy?
2. Would you prefer living in a free economy or a command economy? Explain your answer.
3. A society moves toward economic interdependence when workers do what?
4. When people realize that they are better off concentrating on certain skills and depending on others for other goods and services, they begin to experience the principle of what?
5. List five things you use frequently for which you rely on the specialized labor of other people and which you do not know how to create or prepare yourself.
6. The simplest circle-flow diagram includes what two entities?
7. On what principle does a market operate?
8. The exchange of goods or services in which people determine equivalent values is called what?
9. How is price important to suppliers?
10. Because money enables a person to obtain goods and services that he or she wants or needs, in America it is called a medium of what?

Lesson 3

1. Why do many American companies choose to have their products made overseas?
2. Give four examples of how war can negatively affect trade.
3. A group of workers who organize themselves and negotiate with business owners for higher wages and benefits is called what?
4. Why do high taxes on income discourage efforts by individuals to generate more income?
5. How might regulation increase the cost of goods?
6. What are three examples of institutions that help an economy operate?
7. What term describes economic effects external to the direct production of goods?
8. What is the meaning of the term gross domestic product (GDP)?
9. Define poverty rate.
10. What is microeconomics?

Lesson 4

1. Who is often called the father of modern economics?
2. What book by Adam Smith was published in 1776?
3. The prevailing economic philosophy when Smith published *The Wealth of Nations* was what?
4. How did Smith challenge the prevailing view of how nations build and acquire wealth?
5. What do those who advocate *laissez faire* economics want government to do?
6. Where was Karl Marx born?
7. What book did Karl Marx write with Friedrich Engels?
8. Marx divided society into what two classes?
9. What question is the basic divide between capitalism and socialism?
10. Contrast how Adam Smith and Karl Marx believed economic decisions should be made.

Lesson 5

1. What is seen as the starting point of the influence of the Austrian School of Economics?
2. Ludwig von Mises believed a command economic system would be unworkable because of the absence of what?
3. What events vindicated Ludwig von Mises' belief that the absence of competition in a free market would make a socialist system unworkable?
4. *The Road to Serfdom* by Friedrich Hayek influenced what two world leaders?
5. Who is considered the father of the modern study of macroeconomics?
6. In *The General Theory of Employment, Interest, and Money*, what kind of government action did John Maynard Keynes advocate to stimulate demand in times of emergency?
7. The conference at Bretton Woods, New Hampshire, led to the creation of what three organizations?
8. In his 1981 inaugural address, what did Ronald Reagan say about government?
9. What term describes a key idea of Milton Friedman which highlights the role of money in the economy?
10. Milton Friedman believed that the Great Depression was primarily caused by what?

Unit 2

Lesson 6

1. According to Deuteronomy 8:7-9, God was bringing the Israelites to a land in which they would eat food how?
2. A basic principle of economics is that people have to make choices about what?
3. Describe the location where God placed Adam.
4. In Psalm 37, what does the psalmist say about the righteous and their descendants?
5. The conditions in Egypt during the famine mentioned in Genesis 42 and 43 illustrate what economic principle?
6. According to Deuteronomy 8:18, how do people get the power to make wealth?
7. What were the Israelites commanded to do with their fields every seven years?
8. What were the Israelites forbidden to do when they loaned money to their fellow Israelites?
9. God promised to bless the land of the Israelites if they would do what?
10. List three things that Leviticus 19 taught the Israelites to do as they conducted business and economics.

Lesson 7

In 1 Samuel 8:10-18 the Lord warned the Israelites about what a king would do. Summarize what the king would do to the Israelites':

1. Sons —
2. Daughters —
3. Best fields, vineyards, and olive groves —
4. Male and female servants —
5. Flocks —

6. In addition to wisdom, what did the Lord give Solomon?
7. Who told Solomon that his wisdom and prosperity exceeded the reports she had heard about him?
8. Who made the government even more economically oppressive for the people of Israel than his father had?
9. What generous gifts from God did the Northern Kingdom of Israel use for the false god Baal?
10. What word picture is used to describe how Judah and Israel lived in safety all the days of Solomon?

Lesson 8

1. What is the most important attitude to have concerning financial matters?
2. According to Proverbs 22:2, what common bond do the rich and poor have?
3. What three things are mentioned in Proverbs 22:4 as being the reward of humility and the fear of the Lord?
4. According to Proverbs 12:11, what will happen to the one who tills his land and what does the person who lacks sense do?
5. According to Proverbs 24:27, what should someone do before he builds his house?
6. According to Proverbs 6:10-11, what is the result of too much sleep and rest?
7. According to Proverbs 13:18, what will come to him who neglects discipline?
8. According to Proverbs 13:18, what happens to the person who regards reproof?
9. According to Proverbs 10:2, what does not profit?
10. Before he saw their destruction, how did the Psalmist react to the prosperity of the wicked?

Lesson 9

1. According to Proverbs 11:1, how does God feel about a false balance and a just weight?
2. According to Proverbs 17:23, what perverts the ways of justice?
3. What does Proverbs 22:7 say the borrower becomes?
4. What is the modern term used for becoming surety for the debt of another?
5. In Proverbs 6, the writer tells his son not even to do what before he delivers himself from being surety for his neighbor?
6. According to Proverbs 29:7, what does the wicked not understand?
7. According to Proverbs 19:17, what will be the reward for the man who is gracious to a poor man?
8. According to Proverbs 15:16, what is better than great treasure and turmoil with it?
9. Proverbs 22:1 says that we should desire what more than great wealth?
10. What did the writer of Proverbs 30:7-9 ask of the Lord so that the writer would not be full and deny Him, or be in want and steal, and profane the name of God?

Lesson 10

1. What group did Jesus describe as "lovers of money"?
2. The scribes and Pharisees encouraged people to make contributions to the temple instead of doing what?
3. Other than the kingdom of God, what subject did Jesus address the most in His teaching?
4. What two masters did Jesus say you could not serve?
5. What two things did Jesus say would choke the word in a person's life?
6. What did Jesus tell people to do instead of worrying about food and clothing?
7. What did Jesus say about people's responsibility to government and to God?
8. What was the sin of the rich fool?
9. In Luke 4:18, Jesus said He came to preach the gospel to whom?
10. Jesus warned about a man gaining the whole world and forfeiting what?

Unit 3

Lesson 11

1. According to Acts 4:32-35, how did the first believers in Jerusalem see their possessions?
2. What happened to the money the early Christians brought to the apostles from the sale of their homes and land?
3. List three ways that the early church's economic practices were different from Communism.
4. Describe what the apostle Paul said in Philippians 4:11-13 about contentment.
5. What promise did Paul share with the Philippians in Philippians 4:19?
6. What did Paul tell slaves and masters about how they should treat one another?
7. What did Paul do to keep from being a burden to the Thessalonians?
8. What command and exhortation in the Lord Jesus Christ did Paul give to people leading an undisciplined life, not working and acting like busybodies?
9. Summarize James 4:13-17.
10. What does 2 Corinthians 8:9 teach about what the Lord Jesus Christ did for us?

Lesson 12

1. Do you agree with Tertullian's statement that "Nothing that is God's is obtainable by money"? Explain your answer.
2. Why did some early believers decide to become hermits?
3. What is the meaning of the Greek word *monos*?
4. The communities where people who wanted to escape the influence and defilement of the world gathered were called what?
5. After Christianity became legal in the Roman Empire, how did many in the church begin to see the monastics?
6. During the Middle Ages, what was the richest institution in Europe?
7. Name a former monk who led a movement that rejected traditional Roman Catholic teachings and practices, including the idea that poverty was especially meritorious in God's eyes?
8. On the whole, how did Puritans see money?
9. Puritans thought that enduring poverty could be a trial to bring about what?
10. What three Puritan priorities led to economic success?

Lesson 13

1. The focus on social and economic causes in the name of Christ came to be called what?
2. Give three examples of Christian causes for social reform that occurred during the last quarter of the nineteenth century and the first quarter of the twentieth century.
3. Give two examples of Christian causes that wealthy businessmen helped fund.
4. What was the occupation of Max Weber, the German who published *The Protestant Ethic and the Spirit of Capitalism*?
5. How did Max Weber define capitalism?
6. List four aspects of Protestant thought that Weber believed influenced the development of capitalism.
7. What theology supports liberating the poor from their poverty by opposing those seen as oppressing the poor?
8. What place does the lesson mention as the main location where liberation theology developed?
9. Why were people who expected political revolution in Jesus' own day disappointed?
10. What two terms are used to describe the school of thought promoted by R. J. Rushdoony?

Lesson 14

The lesson raised these nine questions. Please answer with your opinions.

1. What standard of living should be a Christian's goal?
2. How should a Christian be engaged with the world in terms of economics?
3. What principles should a Christian businessperson follow in his business?
4. How should a Christian businessperson use his or her profit?
5. Is a Christian guaranteed financial success? Explain your answer.
6. What standards characterize a just economy?
7. Explain whether you want to see a smaller, more efficient, and less intrusive government, or a larger, more activist government?
8. Should wealth be redistributed? Why or why not?
9. What is your view of corporate executives who have large pay and benefits packages?
10. List the three things Micah 6:8 says that God wants from us.

Lesson 15

1. What modern day example of greed begins this lesson?
2. How does Merriam-Webster define greed?
3. What does the prophet Amos condemn in Amos 8:4-6?
4. How did John the Baptist say that people should feel about their wages?
5. What did Jesus teach the man who was being greedy about an inheritance?
6. What does Paul say greed amounts to?
7. How did greed manifest itself during the building of the transcontinental railroad in the 1860s?
8. Greed was a factor in what historic event in America in 1929?
9. According to 1 Timothy 6:6-10, what happens to those who want to get rich?
10. What does 1 Timothy 6:9-10 say is the root of all evil?

Literary Analysis

Silas Marner

by George Eliot

A closely-entangled religious order. A shattering betrayal. A rustic, sheltered village. A lonely weaver, nursing his pain and hoarding his earnings. A genteel family gone bad. A lost child. These are the basic elements of the simple, powerful story of *Silas Marner*.

The narrative needs only a few main characters to tell the story: Silas Marner, the weaver; Godfrey Cass, the spoiled gentleman; Nancy Cass, the wife he does not deserve; and Eppie, the sweet and gentle blessing. Supporting characters include Marner's friends in his earlier life, Dunstan Cass and other members of the Cass and Lammeter families, and the people of Raveloe.

Two central themes in *Silas Marner* subtly ask the reader to examine his or her own outlook. The first theme is faith: faith in God, in other people, in money and possessions, and in oneself. With a genuine faith, Silas Marner joins a rigid religious group. He has faith in the members of his fellowship, especially his friend William Dane. However, William and his church brethren completely shatter Silas' faith in them and in God. Silas does not risk trusting in other people for many years. The events of the story eventually lead Silas back to faith in God and to warm relationships with other people. Dolly Winthrop has a simple faith, and her kindness toward Silas helps lead him back to faith. Silas tells Eppie that the money he had lost had been "kept" for her, and that she had been "sent" to him, both statements reflecting a faith in God. Near the end of the book, Silas says, "I think I shall trusten till I die."

Trying to escape his difficulties, Godfrey Cass trusts in the money he was accustomed to having at his disposal and in "some throw of fortune's dice." His faith in wealth and luck prove unreliable. Godfrey also believed that he was not a scoundrel and that he had "no disposition to duplicity." Both were self-deceptions, demonstrating a misplaced trust in himself. For a long time Godfrey does not trust Nancy's love enough to tell her the truth about himself. In Godfrey's conversation with Silas and Eppie, Godfrey reveals his faith that his money and social status would bring him what he wants, but this trust fails to deliver as he expected it would.

During the years in which Silas buried his faith in God and in other people, he trusts only in his money. That faith proves unstable when his money disappears mysteriously all at once.

A religious faith, but not in God, has a strong influence in the village of Raveloe. Many people believe in superstitions and believe that a weaver has to have help from the Evil One. Silas is thought to possess special powers.

The novel presents the question to the reader: in what do you put your faith? All too often, a person who professes faith in Jesus Christ also "knocks on wood" and assumes the reality of "luck." Deep down, many trust that money, intelligence, the political system, good works, hard work, or family connections will bring what they want. When it comes down to it, where is your trust?

A second theme, money, is almost a character itself in the book. Most vivid is the money that Silas carefully hoards and practically worships. Though he seeks happiness and security in his wealth, in truth it makes him lonely and miserable. The shattering of Silas' early connections stem from William Dane stealing and lying in pursuit of money. When we first meet Godfrey Cass, he is entangled in a grave situation which has left him desperate for money. The wealthy in Raveloe live in "careless abundance," and the wealth to which the Cass family is accustomed

becomes a burden through the weakness of their character. Godfrey and Nancy find that money cannot buy them a daughter. The story reminds us of what money can and cannot do. Money is a medium of exchange, but all too easily it can become our god. Money can be used to wield influence, but when worshiped and depended upon, it will bitterly disappoint. Thus, the story asks the reader: what is truly valuable? How do you measure worth?

Because economics is part of the fabric of real life, *Silas Marner* perfectly illustrates real-life examples of concepts you have (or will) encounter in your study of this course. The book makes reference to the Napoleonic Wars and how they affected prices, including the climbing price of land. Squire Cass fears that the end of the war will cause prices to fall and he will not be able to collect money from those who owe it to him. Silas' work as a weaver illustrates supply and demand (he supplies fabric to meet the demand for it) and the value of skill and productivity. In Chapter 17 Godfrey and Mr. Lammeter discuss "the increasing poor-rate and the calamitous times."

Moving from economics to related topics, the book highlights the contrast between those who are rich and poor financially, and those who are rich and poor in character and love. As the characters intermingle, each is permanently altered, and each makes an impact, for good or for ill. *Silas Marner* leaves a lasting impression on the mind of the reader as to what is even more precious than gold.

Questions on *Silas Marner*

1. In two or three paragraphs, examine how the author develops the character of Silas Marner through the story. How does Marner change, and what are the causes?
2. Refer to Freytag's Pyramid shown on page 4. Write down what you think is the element, event, or section of *Silas Marner* that correlates with each element of the pyramid: *exposition; narrative hook; inciting incident; rising action; climax; falling action; resolution; denouement.*
3. Write two or three paragraphs about the mood or tone of *Silas Marner*. Why do you think the author employs this mood? How does it help make the story effective? Are there any exceptions to the general mood in the narrative?

Exploring Economics Quiz and Exam Book

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Unit 1 Quiz

Write the letter beside the correct answer in the blank at left.

- _____ 1. The Greek word from which we get the word economics is:
- a. *oikos*
 - b. *nomos*
 - c. *oikonomos*
 - d. *nemeinoikos*
- _____ 2. Economic effects external to the direct production of goods are called:
- a. outside effect
 - b. side effect
 - c. externalities
 - d. economic externals
- _____ 3. GDP stands for:
- a. greater domination product
 - b. general domestic production
 - c. gross domestic production
 - d. gross domestic product
- _____ 4. The term which describes the examination of how individual households and companies make decisions and how buyers and sellers interact in the market is:
- a. macroeconomics
 - b. microeconomics
 - c. business cycle
 - d. marginal values
- _____ 5. In the United States, money is used as a:
- a. medium of barter
 - b. medium of exchange
 - c. medium of value
 - d. medium of worth
- _____ 6. An economy in which some authority (usually the government) dictates what and how much producers will produce is a:
- a. market economy
 - b. command economy
 - c. free market economy
 - d. capitalist economy
- _____ 7. The prevailing economic philosophy when Adam Smith published *The Wealth of Nations* was:
- a. mercantilism
 - b. Marxism
 - c. institutionalism
 - d. monetarism
- _____ 8. The authors of *The Communist Manifesto* are George F. W. Engel and:
- a. Adam Smith
 - b. Carl Menger
 - c. Karl Marx
 - d. John Maynard Keynes
- _____ 9. The conference at Bretton Woods, New Hampshire, led to the creation of:
- a. the General Agreement on Tariffs and Trade
 - b. the International Monetary Fund
 - c. the World Bank
 - d. all of the above
- _____ 10. President Ronald Reagan encouraged a shift from the Keynesian economics espoused by President Franklin Roosevelt toward the conservative economic policy of Milton Friedman, saying in his inaugural address of 1981: ". . . _____ is not the solution to our problem; _____ is the problem." (Choose which of these words fills both blanks.)
- a. free enterprise
 - b. government
 - c. capitalism
 - d. business

Unit 2 Quiz

Finish these sentences by writing the letter beside the correct conclusion in the blank at left.

- | | | |
|---------|--|------------------------------------|
| ___ 1. | A basic principle of economics is that people have to make choices about | a. riches and honor. |
| ___ 2. | Conditions in Egypt during the famine while Joseph was living there illustrates the economic principle of | b. honor and life. |
| ___ 3. | In addition to wisdom, God gave King Solomon | c. neither poverty nor riches. |
| ___ 4. | A phrase the Old Testament uses several times to exemplify the ideal of security, prosperity, freedom, and property rights tells of Israelites sitting under their own | d. scarce or limited resources. |
| ___ 5. | Proverbs 22:4 teaches that in addition to riches, the reward of humility and the fear of the Lord are | e. God's kingdom and righteousness |
| ___ 6. | Proverbs 13:18 teaches that the person who neglects discipline will experience | f. sleep or slumber. |
| ___ 7. | In Proverbs 6, the writer tells his son not even to do what before he delivers himself from being surety for his neighbor? | g. vine and fig tree. |
| ___ 8. | In his prayer in Proverbs 30:7-9, the writer asks God to give him | h. God and wealth |
| ___ 9. | Jesus said people could not serve the two masters of | i. supply and demand. |
| ___ 10. | Instead of worrying about food and clothing, Jesus told people to seek what? | j. poverty and shame. |

Unit 3 Quiz

Write the letter beside the correct answer in the blank at left.

- | | | |
|---------|--|--------------------------|
| ___ 1. | The first believers in Jerusalem saw their possessions as common what? | a. monasteries |
| ___ 2. | The fact that their sharing was not compulsory made the sharing by early believers different from what? | b. Roman Catholic Church |
| ___ 3. | What were communities where people wanted to escape the influence and defilement of the world called? | c. abundance |
| ___ 4. | What was the richest institution in Europe during the Middle Ages? | d. property |
| ___ 5. | Max Weber said that peaceful, voluntary, and mutually beneficial exchanges defined what? | e. liberation |
| ___ 6. | What theology, which developed especially in Latin America, supports liberating the poor from their poverty by opposing those seen as oppressing the poor? | f. justice |
| ___ 7. | A focus on social and economic causes in the name of Christ came to be called what? | g. idolatry |
| ___ 8. | In addition to loving kindness and walking humbly with Him, what does Micah 6:8 say that God wants us to do? | h. communism |
| ___ 9. | The apostle Paul equates greed with what? | i. social gospel |
| ___ 10. | Jesus taught that our lives do not consist of our possessions even when we have what? | j. capitalism |

First Exam (Over Units 1-5)

Identify these terms (2 points each).

- | | |
|---------------------------------------|--|
| ___ 1. oikonomos | a. the change in total benefit that results from an action |
| ___ 2. externalities | b. a small step that makes a big difference in an action taken |
| ___ 3. mercantilism | c. Greek word from which we get the word economics |
| ___ 4. tariffs | d. a benefit that motivates action |
| ___ 5. economic equity | e. tangible items produced for consumption |
| ___ 6. investment capitalism | f. the reason behind the overall trend of economic growth in the United States |
| ___ 7. freedom | g. economic effects external to the direct production of goods |
| ___ 8. supply side economics | h. a central bank for the United States established by Congress in 1913 |
| ___ 9. services | i. intangible duties that people perform for pay |
| ___ 10. cost benefit analysis | j. the main source of income for the United States for many years |
| ___ 11. marginal benefit | k. greatest benefit that a producer gives up when he makes a choice |
| ___ 12. goods | l. the elements producers use to create goods and services |
| ___ 13. margin | m. economic idea proposed by President Reagan in 1980 |
| ___ 14. economic incentive | n. the prevailing economic philosophy when Adam Smith published <i>The Wealth of Nations</i> |
| ___ 15. production resources | o. the goal of having people in a society share goods and services as equally as possible |
| ___ 16. Federal Reserve System | p. a type of business in which people build large enterprises that do not make things themselves, but invest huge sums of money in companies that do |
| ___ 17. opportunity cost | q. how much of one product a consumer is willing to give up in exchange for another product to maintain the same level of satisfaction |
| ___ 18. marginal rate of substitution | r. determines the cost and benefit of taking a particular step before you take it to determine if the benefit outweighs the cost |
| ___ 19. economic efficiency | s. emphasizes the critical role that self-interest plays in decision-making |
| ___ 20. public choice theory | t. the goal of encouraging people in an economy to be as productive as possible in supplying goods and services |

Exam continues on next two pages.

Mark a T beside every true statement and an F beside every false statement (2 points each).

- ___ 21. In a market economy, some authority (usually the government) dictates what and how much producers will produce.
- ___ 22. In the United States, money is a medium of exchange.
- ___ 23. GDP stands for gross domestic product.
- ___ 24. The promise of economic security means that you give up a degree of economic freedom.
- ___ 25. Command economies try to insure significant growth while sacrificing the possibility of stability.
- ___ 26. Capitalism and socialism are much the same in who makes economic decisions.
- ___ 27. A cigarette warning label is an example of a disincentive.
- ___ 28. The production possibilities curve is the maximum production that an economy can have, given its production resources.
- ___ 29. In terms of economics, capital means materials used to produce goods.
- ___ 30. Communism is an economic system in which a government encourages and assists businessmen in establishing colonial outposts.

Answer these questions (7 points each):

31. Define microeconomics.

32. Define a command economy.

Fill in these blanks (2 points per word).

33-34. Conditions in Egypt during the famine while Joseph was living there illustrate the economic principle of _____ and _____.

35-36. Jesus said that we cannot serve the two masters of _____ and _____.

37-38. Instead of worrying about food and clothing, Jesus told people to seek God's _____ and His _____.

39. In the early centuries after the church began, people who wanted to escape the influence and defilement of the world sometimes went to live in _____.

40-42. Micah 6:8 teaches that God wants us to do _____, love _____, and walk _____ with our God.

43. Jesus taught that our lives do not consist of our _____ even when we have an abundance.

44-45. In Proverbs 30:7-9, the writer asked God to give him neither _____ nor _____.