

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
Primary Source Questions									
1. When the colonists took inventory of their food ("casting up the store"), what did some of them conclude? How did this conclusion affect their behavior?			✓						
2. How long did the Jamestown settlers work each day? Does this strike you as appropriate behavior?		✓							
3. The "adventurers' purses" referred to in Smith's proclamation were the funds provided by investors in the Jamestown venture. What was Smith warning the lazy members of the party against in that sentence?					✓				
4. Smith stated that the majority of the settlers must now be "more industrious." What does he say the alternative is if they do not work harder?								✓	
5. Did Smith's proclamation include an exception for disability? Does our society today require that disabled people work or starve? Explain.							✓		
Then & Now Questions									
1. In what ways does China's policy of promoting exports resemble old-fashioned mercantilism?						✓			
2. In what ways is China's policy of promoting exports different from old-fashioned mercantilism?						✓			
3. If a nation's economy grows, increasing average income levels, does that mean that all of its residents are better off? Why or why not?					✓				
4. Is it a sensible strategy to try to make an economy grow first, and then to worry about any income inequality that might result? Why or why not?							✓		
5. Is creating a large middle class a worthwhile goal for the Chinese economy? For the U.S. economy?							✓		
CHAPTER 3 Why Did John Harrower Sell Himself into Bondage?									
Chapter Questions									
1. Why were there more settlers in the British colonies than in the colonies of Spain and France?			✓						
2. What were the main elements of an indenture?		✓							
3. How was indentured servitude an example of voluntary exchange, which benefited both parties?				✓					

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. What was the opportunity cost of signing an indenture?		✓							
5. Why did indentured servitude gradually disappear?			✓						
6. What points might one of the indentured servants identified by name in this chapter (John Davis, Robert Fox, Susan Selfe, Robert Smith, Peter Whittingham, or John Worgan) make in a letter written to loved ones back home?		✓							
7. A claim could be made that the development of indentured servitude set the stage for the development of a prosperous new nation. How could that be true?									✓

Primary Source Questions

1. What benefits did Richard Lowther gain according to the terms of the contract?		✓							
2. What benefit did Edward Hurd gain according to the terms of the contract?		✓							
3. What characteristic of a market economy is illustrated by the agreement made between Richard Lowther and Edward Hurd?				✓					

Then & Now Questions

1. In what ways does service in the U.S. Army resemble indentured servitude?						✓			
2. In what way does service in the U.S. Army not resemble indentured servitude?						✓			
3. Why do you think the armed forces continue to require individuals to sign up for a specific period of time?								✓	

CHAPTER 4 Why Did the Colonists Fight When They Were Safe, Prosperous, and Free?

Chapter Questions

1. What did the colonists risk losing when they decided to fight the British?		✓							
2. What incentives encouraged the colonists to fight?		✓							
3. What did the British expect from the colonies? Do you think these expectations were reasonable? Explain your answer.							✓		

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. What do you think the most important reasons were for the colonists' willingness to risk fighting a war against one of the world's most powerful nations? Explain your answer.							✓		
Primary Source Questions									
1. Describe the expanse of land claimed initially by the colonies but later given to Quebec. Which of today's states would have been included?		✓							
2. Why do you think the Quebec Act was described by some of the colonists as one of the "Intolerable Acts"? Explain your answer.							✓		
Then & Now Questions									
1. What is the new Tea Party movement?	✓								
2. Has the Tea Party movement been successful? Explain your answer.							✓		
3. How does the Tea Party of 2010 compare to the Tea Party of 1773? Explain your answer.						✓			
CHAPTER 5 How Did the U.S. Constitution Provide a Road Map to Economic Prosperity?									
Chapter Questions									
1. How did the ideas of Adam Smith influence the writing of the U.S. Constitution? Explain your answer.			✓						
2. How did the structure of the U.S. Constitution—its allocation of power to three separate branches of government—serve to limit the role the government would play in the new economy? Explain your answer.					✓				
3. Which elements of the U.S. Constitution might be regarded as the "Articles of the market economy"?					✓				
4. Which economic clause do you regard as the most important for protecting economic freedom? Explain your answer.							✓		
5. What evidence is there that the U.S. economy grew after the ratification of the Constitution?					✓				
Primary Source Questions									
1. What are the economic problems that Hamilton identifies?		✓							

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
2. How is Hamilton attempting to persuade his readers to his point of view?		✓							

Then & Now Questions

1. On a separate sheet of paper or in class discussion, complete the chart below.						✓			
2. Compare the economic views of Adam Smith and the writers of the U.S. Constitution to the economic view built into in the Cuban Constitution.						✓			

CHAPTER 6 Turnpikes, Canals, and Railroads: What Did We Do Before We Had Interstate Highways?

Chapter Questions

1. Why was long-distance transportation important for the United States economy in the 1800s?			✓						
2. Why did Midwestern farmers ship their products over thousands of miles by water instead of shipping them several hundred miles by land to East Coast markets?			✓						
3. Suppose that, temporarily, the Law of One Price does not come into effect, and the same good sells for very different prices in different places—places connected by good transportation. How might a profit-seeking trader make money in this situation?								✓	
4. Why might Western Pennsylvania farmers sell their corn crop in the form of distilled whiskey, rather than simply shipping and selling unprocessed corn?								✓	
5. Why would a Mississippi River flatboater break his boat up at New Orleans after its first trip downriver?								✓	
6. What advantages did railroads offer, compared to water transportation?						✓			

Primary Source Questions

1. Hawthorne writes that the canal “conferred inestimable value on spots which Nature seemed to have thrown carelessly into the great body of the earth.” How did the Erie Canal do that?			✓						
2. How did Hawthorne think the canal would affect city growth on its banks?		✓							
3. How does Hawthorne contrast the canal trip with the difficulty of ocean navigation?						✓			
4. Why would cargoes mentioned by Hawthorne (salt, flour, and lumber) be especially suited to transport by canal?		✓							

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
Then & Now Questions									
1. For railroads, what trend can you see in freight versus passenger traffic?					✓				
2. What current advantages does rail transport have over truck transport?						✓			
3. Why might a freight shipper avoid rail transport and choose trucks even if the cost per mile were higher?								✓	
4. Given the high cost for weight shipped, what cargoes would you expect to be shipped by air?								✓	
CHAPTER 7 Was Slavery a Market Institution?									
Chapter Questions									
1. What are the characteristics of a market economy?	✓								
2. What does "economic freedom" mean? Give an example of an incident that illustrates economic freedom.	✓								
3. In the United States before the Civil War, there were slave markets. Does this mean that slavery was a market institution? Explain your answer.				✓					
4. What was the economic status of slavery as an institution in the years leading up to the Civil War?		✓							
5. How did the perpetuation of slavery reduce prospects for long-term economic growth in the South?				✓					
Primary Source Questions									
1. What is productivity? According to Whitney, how much was the cotton gin likely to increase productivity?		✓							
2. How did Whitney learn of the problem of cleaning cotton?			✓						
3. How did the cotton gin change the economy of the South?		✓							
Then & Now Questions									
1. How is economic freedom related to a nation's well being?				✓					
2. Why do you think economic freedom is associated with higher incomes and economic growth?						✓			

Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
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CHAPTER 8 The Civil War and Lee's Dilemma: Why Fight a War When the North's Economy Was So Much Stronger?

Chapter Questions

1. After 1857, why was additional compromise over the slavery question unlikely?		✓						
2. Why was it unlikely that war could have been avoided by freeing the slaves and compensating slave owners for their loss?		✓						
3. What was the estimated cost of the war to both sides?		✓						
4. Before a nation fights a war, can it use a definite procedure for determining whether the benefits will exceed the costs?							✓	

Primary Source Questions

1. What was the Republican Party's stand on secession from the Union?		✓						
2. What was the Republican Party's position on slavery in the South?		✓						
3. What was the Republican Party's position on slavery in the territories?		✓						
4. Should Southerners who wanted to maintain slavery have felt threatened by the Republican Platform of 1860?						✓		

Then & Now Questions

1. What are the estimated dollar costs of the Iraq War?		✓						
2. What are some potential benefits of the war?		✓						
3. Do you think the United States and its allies would have invaded Iraq if the cost of the war had been accurately identified in advance?						✓		

CHAPTER 9 How Did the Civil War Change the U.S. Economy?

Chapter Questions

1. Explain, in economic terms, the losses caused by the Civil War.		✓						
2. Who were the economic winners and losers?		✓						
3. What was the opportunity cost of the Civil War?		✓						
4. What is the Beard-Hacker Thesis?	✓							
5. Does Lebergott agree or disagree with Beard and Hacker? Explain your answer.				✓				

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
6. Which thesis—Lebergott’s or Beard’s and Hacker’s—do you agree with? Why?							✓		
Primary Source Questions									
1. What is the main idea Booker T. Washington advocates in this excerpt from his Atlanta Exposition Address?		✓							
2. What is the main idea advocated by W.E.B. Du Bois in this excerpt from <i>The Souls of Black Folk</i> ?		✓							
3. Who do you think has the stronger argument: Du Bois or Washington? Explain your answer.						✓			
Then & Now Questions									
1. What is new about the New South?		✓							
2. What evidence do you see of positive changes in the Southern economy?					✓				
3. Why do you think African Americans increasingly began moving to the South after 1970?			✓						
CHAPTER 10 The Homestead Act of 1862: Was Free Land Really Free?									
Chapter Questions									
1. How does a market economy typically distribute goods and services?		✓							
2. Why did President Lincoln and members of Congress decide to give away land to people who were willing to settle it?					✓				
3. For settlers who homesteaded, what were the expected and unexpected consequences of the Homestead Act of 1862?		✓							
4. In what way was the nation helped and hurt by the Homestead Act of 1862?						✓			
5. Suppose you were distributing land today. What method of land distribution, other than giving it away, might you use?								✓	
Primary Source Questions									
1. How does the poster portray the land of Iowa and Nebraska?		✓							
2. What incentives did the Burlington & Missouri River Railroad Company offer?		✓							
3. Why would railroads want to encourage settlement?				✓					

Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
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CHAPTER 13 Did Railroads Cause the Economy of the Late 1800s to Grow?

Chapter Questions

1. Why should a government subsidy to railroads not be regarded as money from an outside source? Where does the money for subsidies come from?				✓				
2. For railroads in the late 1800s, why would a land grant be a more effective subsidy than a simple grant of cash? Explain your answer.				✓				
3. Were the railroads indispensable to economic growth in the United States in the late 1800s? If the economy and the railroads grew larger at the same time, does that mean that the expansion of the railroads caused the economic growth? Explain your answer.								✓

Primary Source Questions

1. Writing in 1857, Judah maintained that a transcontinental railroad would promote unity. How? If it had been built in the 1850s, would it have reduced the likelihood of the Civil War? Explain your answer.				✓				
2. In his time, Judah wrote that people were “disposed to look with distrust upon grand speculations.” Is that sort of distrust widespread today? Why or why not? Use an example to support your answer.						✓		
3. Judah said the “profitableness” of the transcontinental railroad was unquestioned. If the profits were truly certain, could the railroad have been built without government subsidy? Why or why not?						✓		

Then & Now Questions

1. If a government subsidizes a technology park in a city and new businesses move there, does the presence of the new businesses alone indicate that the subsidy was a success? Why or why not?				✓				
2. How might the strategy of “attracting the creative class” result in new businesses getting established in an area? What are the arguments for and against trying to attract the creative class?				✓				
3. Which do you think would be more effective in your area: offering subsidies or attracting the creative class?						✓		

Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
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CHAPTER 14 Hard Currency: Sound Money or a Cross of Gold?

Chapter Questions

1. Think about a farmer who has borrowed large amounts of money for land and must repay fixed amounts of his debt every year. What would this farmer's attitude toward deflation be? Explain your answer.				✓				
2. Since deflation would reduce the prices farmers paid for goods that they bought, why would farmers be hurt by deflation? Explain your answer.				✓				
3. How could deflation benefit a money lender receiving fixed payments?				✓				
4. If the government had greatly changed the proportion of gold and silver coins it issued in the late 1800s but still followed a tight money policy, would that have helped farmers? Why or why not?							✓	
5. The money you receive and spend today has no official link to gold. Does that fact make you less confident about the future value of money? Explain your answer.						✓		

Primary Source Questions

1. Bryan argues that his party "should legislate to make the masses prosperous." What monetary outcome is Bryan arguing for, and how would it help?				✓				
2. Bryan acknowledges that "the great cities are in favor of the gold standard." How does Bryan argue against favoring the cities over the rural areas?				✓				
3. Bryan predicts that his party will win every state in the upcoming presidential election. What actually happened in that election?	✓							
4. Bryan cites the support of "commercial interests and the laboring interests and all the toiling masses" for his platform. What attitude did all of these interests have toward loose money?			✓					

Then & Now Questions

1. How were distressed homeowners of 2010 like distressed farmers of the late 1800s? Explain your answer.					✓			
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	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
2. How could higher inflation benefit someone hoping to sell a house and move to a new community?									✓
3. What is the danger involved in trying to engineer a small amount of inflation?								✓	
CHAPTER 15 Were the Robber Barons Robbers or Barons?									
Chapter Questions									
1. What sectors of the U.S. economy experienced large changes late in the 19th century? Which industrialists were most closely associated with each?		✓							
2. What are economies of scale, and how did 19th-century industrialists achieve them?		✓							
3. Was Ford's implementation of the \$5 work day an act of humanity or just good business? Explain your answer.					✓				
4. How do productivity gains help consumers?		✓							
5. Do you think the term "Robber Baron" should be applied to people such as Vanderbilt, Carnegie, Rockefeller, and Ford? Or did the industrial consolidations and innovations of the late 19th century show that the invisible hand was at work? Explain your answer.							✓		
6. What were the most important achievements of John D. Rockefeller and Andrew Carnegie? Explain your answer.							✓		
Primary Source Questions									
1. How does Ida Tarbell characterize Rockefeller's business practices?		✓							
2. How do you think Rockefeller would respond to Tarbell's remarks about his business practices?							✓		
Then & Now Questions									
1. What are some similarities between the 19th-century business practices described in this chapter and the practices associated with Walmart?						✓			
2. In what ways does Walmart benefit consumers?					✓				
3. In what way does Walmart hurt its competitors?					✓				
4. Why do you think Walmart is controversial? Explain your answer.							✓		

Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
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CHAPTER 16 Why Did the 19th-Century Monopolies Disappear?

Chapter Questions

1. Why do economists object to monopolies?		✓						
2. How could competition have acted as a “trust buster”?		✓						
3. One definition of “monopoly” is an industry in which there is only one seller. What is another definition of the term?	✓							
4. Apart from counting how many sellers there are in a market, is there a better way of knowing if a market is competitive? Explain your answer.				✓				
5. What do you think is the more effective form of trust busting: competition or government action authorized by the Sherman Antitrust Act? Explain your answer.						✓		

Primary Source Questions

1. How does this 1906 cartoon depict Senator La Follette?		✓						
2. What is Senator La Follette’s view of the railroads? Explain your answer.		✓						
3. Today we hear few complaints about railroad monopolies. What brought competition to the railroad industry? To respond to this question, think about vehicles you see every day.							✓	

Then & Now Questions

1. Why was Microsoft thought to be a monopoly by the Department of Justice?		✓						
2. What are some problems that make antitrust prosecutions problematic today?		✓						
3. What is a natural monopoly?	✓							
4. What destroys natural monopolies? Can you provide a new example?								✓

CHAPTER 17 How Did Financial Panics Lead to the Establishment of an Independent Central Bank?

Chapter Questions

1. Before 1913, how could the failure of a New York bank hurt a country bank that had no direct ties to New York?			✓					
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	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
2. Why is the distinction between the real economy and the financial economy easier to identify when economic times are bad?					✓				
3. How can a speculator make money in the stock market?		✓							
4. What useful function does stock speculation serve when it drives up the price of a promising new company?		✓							
5. Would you support a rule to allow serious investors but not speculators to buy and sell stocks? Why or why not?							✓		
Primary Source Questions									
1. When a taxi driver gave customers recommendations on the stock market in the 1920s, do you think the driver had done extensive analysis of the real economy or the financial economy? What was the probable basis of the driver's recommendations?					✓				
2. Joseph Kennedy, patriarch of the Kennedy family in Massachusetts, was said to have sold out of the stock market before it fell because he had gotten tips from a shoeshine boy. His reasoning was that when uninformed investors such as the shoeshine boy thought they understood the market, it was ready for a fall. Can stocks become too popular for their own good? Explain your answer.							✓		
3. In the quoted passage, Bernard Baruch said his cook had "paper profits" that "were quickly blown away in the gale of 1929." What did Baruch mean by "paper profits," and what blew them away?					✓				
Then & Now Questions									
1. What would be the gains from successful Federal Reserve intervention to prevent a bubble from happening?		✓							
2. Is it obvious when a speculative bubble has developed? Why or why not?								✓	
3. What are the risks of Federal Reserve action to rein in speculation when a speculative bubble seems to be forming in a particular market segment?		✓							

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. If investors are making foolish choices, should the Federal Reserve try to save them from their folly? Explain your answer.							✓		

CHAPTER 20 Why Did a Mild Recession in 1929 Become the Great Depression of the 1930s?

Chapter Questions

1. Why were people unaware at first of how severe the Great Depression was?									✓
2. How did the stock market crash of 1929 affect the U.S. economy? Did it cause the Depression? Explain your answer.									✓
3. Why were bank runs so frightening during the Great Depression?		✓							
4. Does the record of the 1930s suggest that higher tariffs aid the economy? Why or why not?		✓							
5. Why do people say that the Federal Reserve's response to the Great Depression made a bad situation worse? Explain.							✓		

Primary Source Questions

1. Examine the two images above. In what way are the two bank scenes similar?						✓			
2. In what ways are the two bank scenes different?						✓			
3. What might explain the differences you observe?						✓			

Then & Now Questions

1. What were the major similarities between the economic events of 1929 and 2008?						✓			
2. Were institutions labeled "too big to fail" in 2008 literally so large that failure was impossible? Explain your answer.							✓		
3. How might rescuing distressed financial institutions lead to greater risk-taking in the future?									✓
4. Why are financial bailouts unpopular?							✓		

CHAPTER 21 Was the New Deal Good for the U.S. Economy?

Chapter Questions

1. What were the benefits of the AAA?		✓							
2. What were the costs of the AAA?		✓							
3. What were the benefits of the NRA?		✓							

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. What were the costs of the NRA?		✓							
5. Did the New Deal prolong the recovery from the Great Depression? Explain your answer.							✓		
6. Which aspects of the New Deal do you think were successes? Which do you classify as failures? Explain your answer.							✓		
Primary Source Questions									
1. Who is encouraging the driver?		✓							
2. According to the artist, who would be helped by the farm bill?		✓							
3. According to the artist, who would be hurt?		✓							
Then & Now Questions									
1. Compare the views of Adam Smith and John Maynard Keynes regarding the stimulus bill of 2009.						✓			
2. Whose arguments do you think are the more persuasive, Smith's or Keynes's? Explain your answer.							✓		
CHAPTER 22 The Economics of Union Membership: Solidarity Forever?									
Chapter Questions									
1. How did the Knights of Labor differ from the American Federation of Labor?						✓			
2. How are wage rates determined in most U.S. labor markets?		✓							
3. What were two main legal impediments to organizing labor unions?		✓							
4. How did New Deal legislation change the incentives related to unionization?					✓				
5. Why has union membership declined since its peak in 1954?					✓				
Primary Source Questions									
1. What main idea is emphasized in the first stanza of the song?		✓							
2. According to the song, who dug the mines? Who built the railroads and cities?		✓							
3. According to the song, who should own big business? Explain your answer.		✓							

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. The song emphasizes solidarity—that is, unity or agreement of feeling and action. From an economic perspective, why do you think solidarity was so important for the union movement?				✓					

Then & Now Questions

1. What is the latest big change in union membership?		✓							
2. Why did this change happen?					✓				
3. Who benefits from the unionization of public sector employees?		✓							
4. Who might be hurt by unionization of public sector employees?		✓							

CHAPTER 23 Did Rosie the Riveter Win the Battle for Working Women?

Chapter Questions

1. Why is time referred to as “the ultimate scarcity”?	✓								
2. As people trade off work and nonworking uses of time, how does the wage rate make a difference?		✓							
3. Over long periods of time, do people consistently work longer hours in return for higher wages? Explain your answer.					✓				
4. If women’s labor-force participation dropped immediately after World War II, why is it said that the war led to permanent changes in women’s labor-force opportunities?					✓				

Primary Source Questions

1. Rosie’s feet are shown resting on a book titled, in German, <i>Mein Kampf</i> (in English, <i>My Struggle</i>). What is the significance of the book and its position beneath her feet?				✓					
2. How does this image symbolize a new view of women’s capacity to work at production jobs, revealed during the war?		✓							
3. Compare this image with the “We Can Do It!” poster shown at the beginning of this chapter. Which image is more obviously associated with the character of Rosie the Riveter? Explain your answer.						✓			
4. Does the riveter depicted on this magazine cover seem likely to continue working in manufacturing after the war? Explain your answer.							✓		

Definition	Description	Procedural/Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/Solution	Cause/Effect
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Then & Now Questions

1. What does it mean to say that an output is scalable? Is a rock star's latest song scalable?	✓							
2. If the wealthiest rock star is richer than the wealthiest accountant, is the average rock musician wealthier than the average accountant? Why or why not?							✓	
3. How important is physical strength in most jobs today?		✓						
4. What happens to the inequality of wealth if scalable enterprises become a bigger part of the economy? Why?				✓				
5. Do you believe a society can have a high standard of living if it moves away from agriculture and manufacturing—that is, away from making tangible things as opposed to intangible services? Explain your answer.						✓		

CHAPTER 24 Why Did the U.S. Economy Grow after World War II?

Chapter Questions

1. Did the U.S. economy achieve zero unemployment during World War II? Is a zero unemployment rate realistically achievable for the U.S. economy? Explain your answer.							✓	
2. What fear prompted passage of the Employment Act of 1946? Was it a reasonable fear at the time? Explain your answer.		✓						
3. What was the G.I. Bill of Rights? How did it ease the transition from a wartime to a peacetime economy?		✓						
4. Given that spending by government declined after the war ended, why was there not a big drop in aggregate demand, hurting the economy?								✓

Primary Source Questions

1. What family structure is represented in the image? Why would the developer depict this type of family structure in the late 1940s and 1950s? Explain your answer.		✓						
2. Based on the image, how many cars per household do you believe the planners of Levittown expected people to own? Was that a reasonable expectation for the times?				✓				
3. In what ways would you expect a current-year brochure for a housing development to differ from what you see in the Levittown image? Explain.					✓			

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
Then & Now Questions									
1. When a wave of people (such as the Baby Boomers) ages through a span of years in an economy, do they increase aggregate demand or aggregate supply or both? Explain your answer.			✓						
2. Over a lifetime, in which years are people able to save the largest amounts of money? Why? In which years are people typically borrowing the most money? For what purposes?			✓						
3. Authors Steve Gillon and Nancy Singer Olaguera say, "American culture is Boomer culture." Look at Table 2, showing the 10 most influential Boomer movies and more recent movies. How many of those Boomer movies are you familiar with? Based on that list, is it true that "American culture is Boomer culture"? Explain your answer.							✓		
CHAPTER 25 Who Desegregated Major League Baseball: Adam Smith or Jackie Robinson?									
Chapter Questions									
1. What was Adam's Smith "invisible hand" of the market place?	✓								
2. How is major baseball one of a kind, economically?		✓							
3. Why is major league baseball considered a cartel?		✓							
4. What does it mean to say that major league baseball clubs hold a form of monopsony power?		✓							
5. Why is it in the self-interest of business owners to hire the most productive workers they can find?					✓				
6. How did the desire to win ball games influence Branch Rickey's decision to sign Jackie Robinson?		✓							
7. What happened to the revenues and records of baseball teams that signed African American players?		✓							
8. Who desegregated major league baseball: Jackie Robinson and Branch Rickey, or Adam Smith?							✓		
Primary Source Questions									
1. What is Branch Rickey's main point in this speech?		✓							
2. How does Rickey's point compare to Adam Smith's point about profits and the invisible hand, as quoted early in this chapter?						✓			

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
Then & Now Questions									
1. Which remedy do you think is more likely to reduce discrimination against women in the workplace: legislation like Title VII or the incentives that encourage business people to hire the best possible workers? Explain your answer.							✓		
CHAPTER 26 How Did the Marshall Plan Become a Model for Foreign Aid Programs?									
Chapter Questions									
1. How could a foreign aid program benefit people in the United States, such as farmers?		✓							
2. How could a foreign nation's businesses be hurt by aid from the United States?		✓							
3. Why could the United States better afford to provide foreign aid than its wartime allies after World War II?		✓							
4. Which is a more important measure of well-being: an economy's overall GDP or its average GDP per person? Explain your answer.							✓		
5. Would the United States have been better off after the war if its trading partners had remained weak? Why or why not?				✓					
Primary Source Questions									
1. What is the goal of the Marshall Plan, according to the cartoon? If this goal is not achieved, what would the alternative be?		✓							
2. As depicted, is the Marshall Plan a failure, an immediate success, or a work in progress? Explain your choice.		✓							
3. Do you believe a European in the late 1940s would have found the cartoon insulting? Explain your answer.							✓		
Then & Now Questions									
1. According to Hubbard, how has modern aid to Africa differed from Marshall Plan aid?						✓			
2. Why did the Norwegian plan to aid the Turkana in Kenya fail? What might have been done differently to promote a better outcome?							✓		
3. If the example of the Marshall Plan were followed closely in African aid, would the results be successful? Explain your answer.							✓		

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
3. Some people think of music as pure artistry, based on such elements as talent, composition, and technique. Given the example discussed here, is music also based on economic decisions?				✓					

CHAPTER 28 Why Did Communism Collapse?

Chapter Questions

1. How did Germany become a divided nation after World War II?		✓							
2. How do market and socialist economies differ in deciding what goods to produce?						✓			
3. How did the banana become a symbol of East-West differences in Germany?		✓							
4. Based on the German experience, how can an economic system be responsive to consumers if the government does not require a consumer focus?					✓				
5. Why would communist countries have difficulty succeeding in a global economy where computers and innovation are more important than strength in heavy manufacturing?								✓	

Primary Source Questions

1. How was the Trabant car symbolic of what went wrong with economies in communist countries?		✓							
2. According to Ramos, why was the East German border ordinarily a secure and serious place?		✓							
3. Why did East German border guards not stop the exodus in 1989?		✓							

Then & Now Questions

1. Does the example of post-World War II Germany provide a good comparison of market vs. socialist economies? Or is the comparison flawed? Explain your answer.							✓		
2. What evidence is there that conditions in the former East Germany have improved after reunification with West Germany?		✓							
3. The goods and services available per person in the former East Germany now have reached 80 to 85 percent of the West German levels. Do you believe the remaining differences are acceptable? Explain your answer.							✓		

Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
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CHAPTER 29 How Did the Economy Influence Presidential Elections in the Stagnant Seventies?

Chapter Questions

1. What major international event contributed to the growth of inflation in the 1970s?		✓						
2. What was stagflation? How could it be measured?	✓							
3. Who finally ended the inflation spiral of the 1970s? How did he do it? What was the result?			✓					
4. In your own words, describe the Misery Index.		✓						
5. How well does the Misery Index predict the outcome of presidential elections? Explain your answer.			✓					

Primary Source Questions

1. According to President Carter, what were the problems facing Americans in 1979?		✓						
2. What actions did President Carter propose?		✓						
3. Do you think these proposed actions would have been effective? Explain your answer.						✓		

Then & Now Questions

1. What were the results of the 2010 mid-term elections?		✓						
2. How does the party in power usually do in the mid-term elections?		✓						
3. Did the performance of the economy contribute to the outcome of the 2010 mid-terms? Explain your answer.						✓		

CHAPTER 30 Is the Information Revolution as Big as the Industrial Revolution?

Chapter Questions

1. Why was computing power alone insufficient to bring about the Information Revolution? What second element was necessary, and why?		✓						
2. Suppose someone developed a new social networking site, far better than the one you use most often now. Would you want to join that new site? What would determine your answer?						✓		
3. Do you think the government should have a policy of paying money to compensate for creative destruction—for example, making payments to newspaper publishers hurt by online advertising? Explain your answer.						✓		

	Definition	Description	Procedural/ Sequencial	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
4. Do you believe the Information Revolution will be as big as the Industrial Revolution? Explain your answer.							✓		
Primary Source Questions									
1. When Olson said, "There is no reason anyone would want a computer in their home," did he have computers in his own home? Explain your answer.		✓							
2. Predictions of a single computer controlling the home were made at a time when computers were large and expensive. How did changes in cost and technology make that prediction unlikely to be realized?		✓							
3. Given that it is now easy and inexpensive to have computer-controlled lights, why do you think so many people still use ordinary light switches on the walls of their homes?								✓	
Then & Now Questions									
1. What is a "bubble" in stock market prices, and how did the 1995–2000 bubble get its name?	✓								
2. Previous bubbles made prices go up before they burst. How did adherents of the idea that "This Time Is Different" persuade themselves that the dot-com bubble would not burst?		✓							
3. Why would 1990s strength in dial-up Internet service, a key feature of American Online, be less valuable after 2000?		✓							
4. At the time of the America Online-Time Warner merger, well informed people thought the merger would be a success. Why were they wrong?		✓							
5. Are all industries susceptible to bubbles? That is, should investors ever accept an argument that says "This Time Is Different," implying that the value of an investment would always go up and never come down?							✓		
CHAPTER 31 Is Free Trade Out of Date?									
Chapter Questions									
1. What is the main argument in support of specialization and free trade?		✓							
2. What are the main arguments in opposition to free trade?		✓							

	Definition	Description	Procedural/ Sequential	Synthesis	Analysis	Comparison	Evaluation	Problem/ Solution	Cause/ Effect
3. Which argument—for or against free trade—do you find to be most convincing? Why?							✓		
Primary Source Questions									
1. Why might the cartoon suggest that the United States is shoveling money to Europe in 1952?		✓							
2. What is the European man doing?		✓							
3. Why doesn't the figure who represents Europe "shovel" his goods to the United States?		✓							
4. What does the cartoon suggest about the situation it depicts?					✓				
5. Josef Stalin, the figure standing in the background, seems to be smiling. Why might he be smiling?					✓				
Then & Now Questions									
1. Why might the United States not honor its commitments under NAFTA to allow Mexican trucking companies to operate in the United States?		✓							
2. Which explanation seems more likely? Explain your answer.							✓		
CHAPTER 32 Is the Growth of the Federal Government Good for the Economy?									
Chapter Questions									
1. In your own words, explain what an entitlement program is.	✓								
2. Make up a new example of an entitlement program. Never mind if it is realistic or not. Let your imagination—or your interests—be your guide.		✓							
3. Since about 1920, how has government spending compared with government revenues?		✓							
4. Why does the future of the Social Security and Medicare programs appear to be uncertain? Explain your answer.					✓				
5. Why do legislators and other politicians choose to spend so much money?		✓							
6. What is the federal deficit? How is it different from the national debt?	✓								
7. What has happened recently to federal deficits and the national debt?		✓							

