Introduction

This question bank is designed to be used with Gary M. Walton and Hugh Rockoff's *History of the American Economy*. The question bank is organized by chapters that correspond to the textbook. Within chapters there are three types of questions:

1) General Questions: These questions test knowledge of the general information in the chapters, and comprise the largest number of questions. We have constructed them to test knowledge of material at the level of the chapter subheadings or of main points from tables and figures. These questions do not test very specific details from the text.

2) Economic Insights: Each chapter contains about 2-5 questions taken from the "Economic Insight" sections in the text. These questions are more detailed and specific than the general questions. They are typically more difficult than the first type of question, but draw from a much more narrow range of material.

3) Economic Analysis: Some, but not all chapters contain principles of economics questions with an historical context. For example, to answer these questions students would have to know how to move supply and demand curves, articulate the difference between substitutes and complements or apply concepts like comparative advantage.

The last section of questions differs from the above organization. Instead of offering questions that relate only to one chapter, it provides broad questions on common themes throughout American history that contain information from different chapters. These questions are suitable for a comprehensive final exam, and address major themes such as immigration, industrial composition, unionization and GNP.

Chapter 1
Economic History

General Questions
1. Nobel laureate Robert Fogel contends that which of the following are good proxies for current levels of nutrition?
  a. Changes in height during the growing years
  b. Total height
  c. Total weight
  d. Changes in weight during the growing years
ANSWER: a. Changes in height during the growing years

2. Which of the following most accurately describes world population growth?

a. World population has increased steadily during the past 6,000 years.

b. World population has exhibited significant cyclical patterns of growth and decline.

c. World population was relatively small until 1750, when it increased extremely rapidly.

d. World population was small until after World War II, when it increased very quickly.

ANSWER: c. World population was relatively small until 1750, when it increased extremely rapidly.

3. Which of the following most accurately describes changes in life expectancy?

a. Life expectancy was relatively low until 1750, when it increased extremely rapidly.

b. Life expectancy has increased steadily during the past 6,000 years.

c. Life expectancy was low until after World War II, when it increased very quickly.

d. Life expectancy has exhibited significant cyclical patterns of growth and decline.

ANSWER: a. Life expectancy was relatively small until 1750, when it increased extremely rapidly.

4. Per capita GDP in the US during the 20th century _____.

a. has remained about the same.

b. increased until about 1970 and decreased since then.

c. was cyclical, but generally trending upward throughout the century.

d. grew very quickly for the first half of the century and grew at a much lower rate in the second half of the century.

ANSWER: c. was cyclical, but generally trending upward throughout the century.

5. Which is true about present day Americans who are at the official poverty level?

a. Their incomes are about the same as those at the poverty level in 1950.

b. Their incomes are higher than all but the richest Americans in 1900.

c. Their incomes are about the same as those at the poverty level in 1900.

d. Their incomes are about the same as those in the middle class in 1950.

ANSWER: b. Their incomes are higher than all but the richest Americans in 1900.

6. Which is true about present day Americans who are at the official poverty level?

a. Their incomes are about the same as the average world income.

b. Their incomes are about half of the average world income.

c. Their incomes are above the world average per capita income.

d. Their incomes are about the average income of people in nations like China, India and Pakistan.

ANSWER: c. Their incomes are above the world average per capita income.

7. Which of the following is most accurate about ownership of household goods, such as flush toilets, refrigerators, televisions, clothes dryers and automobiles?
    a. Very few Americans at the poverty level in 2005 own these goods.
    b. Americans at the poverty level in 2005 own these goods at about the same rate as average households in 1950.
    c. Americans at the poverty level in 2005 own these goods at higher rates than average households in 1950.
    d. Americans at the poverty level in 2005 own these goods at about half the rate as average households in 1950.
ANSWER: c. Americans at the poverty level in 2005 own these goods at higher rates than average households in 1950.

8. Which is most accurate about those who were in the bottom fifth of the income distribution in 1975?
    a. In 1991, about 85% of them were still in the bottom fifth of the income distribution.
    b. In 1991, about 50% were still in the bottom fifth of the income distribution.
    c. In 1991, about 25% were in the bottom fifth and another 25% were in the second poorest group.
    d. In 1991, about 30% were in the richest fifth and another 30% were in the second richest group.
ANSWER: d. In 1991, about 30% were in the richest fifth and another 30% were in the second richest group.

9. Which most accurately describes U.S. GDP from 1900 to 2007 (in 2000 constant dollars)?
    a. U.S. GDP per capita decreased much more rapidly than prices.
    b. U.S. GDP per capita has held constant.
    c. U.S. GDP per capita has increased by nearly twofold..
    d. U.S. GDP per capita has increased by nearly eightfold..
    ANSWER: d. U.S. GDP per capita has increased by nearly eightfold.

10. In August 1971, President Nixon implemented price and wage controls to combat inflation. What best describes our experience with these price controls?
    a. Inflation remained about the same for many years.
    b. When the controls were implemented prices were decreasing, and within 3 years inflation increased dramatically and was about twice as high as it had been before the controls.
    c. Prices had increased rapidly before the controls were implemented, and they decreased rapidly in the years after the controls.
ANSWER: b. When the controls were implemented, prices were decreasing, and within 3 years inflation increased dramatically and was about twice as high as it had been before the controls.

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