

Quiz # 13 – Chapters 18 / 19 / 21
Economic, Social Welfare, and Environmental Policy

1. The national public debt held by the public is about _____ percent of the gross domestic product.
 - a. 5
 - b. 10
 - c. 40
 - d. 60
 - e. 70

2. The health of the American economy creates
 - a. majoritarian politics.
 - b. interest-group politics.
 - c. client politics.
 - d. entrepreneurial politics.
 - e. egalitarian politics.

3. The pocketbook issue tends to preoccupy politicians *most*
 - a. early in a presidential term.
 - b. toward the end of session of Congress.
 - c. when presidential popularity is at its peak.
 - d. when the economy is doing poorly.
 - e. just before elections.

4. As a group, low-income people tend to be most concerned with
 - a. inflation.
 - b. education.
 - c. economic drift.
 - d. health.
 - e. employment.

5. As a group, high-income people tend to be most concerned with
 - a. inflation.
 - b. education.
 - c. employment.
 - d. health.
 - e. economic drift.

6. Lower-income people tend to vote
 - a. Democratic.
 - b. Republican.
 - c. Independent.
 - d. Socialist.
 - e. Libertarian.

7. Monetarists recommend that government increase the money supply at a rate equal to the
 - a. growth in credit.
 - b. growth in unemployment.
 - c. growth in productivity.
 - d. drop in the rate of inflation.
 - e. drop in wages.

8. An economist regards the free market as too undependable to ensure economic efficiency and suggests government control over it. The economist is recommending what type of economic policy?

- a. Monetarist
- b. Supply-side
- c. Planning
- d. Keynesian
- e. Credit-based

9. Some countries have been particularly successful in directing and planning investments so that certain key industries will benefit. This planning is part of their

- a. industrial policy.
- b. supply-side approach to the economy.
- c. workshop economy.
- d. monetarist policy.
- e. credit-based policy.

10. An economist proposes that the best remedy for declining productivity is to lower taxes, which would increase investment and ultimately increase productivity. This approach is called

- a. Keynesian economics.
- b. monetarist economics.
- c. economic planning.
- d. supply-side economics.
- e. credit-based economics.

11. The combination of monetarism, tax cuts, and domestic budget cutting characterized

- a. the New Deal.
- b. the Great Society.
- c. the New Federalism.
- d. the Fair Deal
- e. Reaganomics.

12. When the Reagan administration lowered taxes and increased spending, it

- a. created large deficits and increased unemployment.
- b. stimulated the economy and created large deficits.
- c. lowered interest rates and stimulates the economy.
- d. created large deficits and lowered interest rates.
- e. increased unemployment and deflated the economy.

13. The machinery for making economic policy decisions is

- a. complex and not under the president's full control.
- b. simple but not under the president's full control.
- c. complex but fully controlled by the president.
- d. simple and fully controlled by the president.
- e. complex but fully controlled by the president and party leaders.

14. The executive agency in charge of economic forecasting and preparing the president's annual economic report to Congress is the

- a. CEA.
- b. Treasury Department.
- c. OMB.
- d. Fed.
- e. NSA.

15. The OMB is partly a nonpartisan, expert agency that analyzes budget patterns and partly a(n) a. partisan agency carrying out the president's wishes.
b. detached organization that promotes the national interest.
c. agency that supervises the Budget Reform Act.
d. agency subordinate to the CEA.
e. organization that checks presidential decision making.
16. In economic policy deliberations, the secretary of the Treasury is expected to argue the point of view of the
a. financial community.
b. president.
c. Treasury Department.
d. country in general.
e. industrial elite.
17. Outside the troika of presidential economic advisers, the most important agency involved in making economic policy is the
a. General Accounting Office (GAO).
b. Environmental Protection Agency (EPA)
c. Federal Reserve Board (Fed).
d. Office of Management Budget (OMB).
e. Council of Foreign Relations (CFR).
18. The Federal Reserve Board implements its monetary policy by
a. buying federal government securities bonds.
b. selling federal government securities bonds.
c. regulating the amount of money that a member bank must keep in hand as reserves.
d. changing the interest rates charged at bank.
e. All of the above.
19. Which of the following statements concerning the Federal Reserve Board is *incorrect*?
a. Its members are confirmed by the Senate.
b. It has 7 members.
c. Members serve 14-year terms.
d. No member has ever been removed for cause.
e. The Chairman serves for life.
20. When it passed the North Atlantic Free trade Agreement, (NAFTA), Congress took what approach toward trade restrictions?
a. It put the need for free trade above protectionism.
b. It put the need for protectionism above free trade.
c. It moved away from both free trade and protectionism.
d. It compromised between free trade and protectionism.
e. It rendered protectionism irrelevant.
21. Republicans tend to support free trade, but George Bush imposed sharp increases in the taxes that must be paid on imported steel because
a. Congress pressured him to do so.
b. the CEA recommended that he do so.
c. other nations had done the same thing.
d. he wanted political support in states like Ohio and Pennsylvania.
e. of bargain with Democratic Senators.

22. Entitlements such as Social Security or Medicare payments, veterans' benefits, or Food Stamps constitute about _____ of the federal budget.

- a. one-sixteenth
- b. one-tenth
- c. one-fourth
- d. one-half
- e. two-thirds

23. The *Gramm-Rudman Act* was passed by Congress to

- a. fine-tune the existing budget procedures.
- b. give more authority to the OMB.
- c. eliminate deficit spending.
- d. eliminate the balance-of-trade deficit.
- e. eliminate tax cuts.

24. The term *sequester* refers to

- a. those budget items, such as Social Security, that are largely uncontrollable.
- b. the process of protecting certain items from budgetary review.
- c. freezing budget items at previous levels.
- d. a limit set on the percentage of uncontrollable expenses that the budget can contain.
- e. automatic, across-the-board percentage cuts in the budget.

25. Loophole politics is an example of

- a. majoritarian politics.
- b. interest group politics.
- c. entrepreneurial politics.
- d. client politics.
- e. reciprocal politics.

26. Which of the following countries imposes the smallest tax burden upon its citizens?

- a. The United States
- b. Germany
- c. France
- d. Canada
- e. United Kingdom

27. An example of a welfare policy in which most or all people benefit is

- a. Aid to Families with Dependent Children (AFDC).
- b. Social Security.
- c. food stamps.
- d. Medicaid.
- e. c and d.

28. An example of client-based welfare policies that recently lost political legitimacy is

- a. Social Security.
- b. Medicare.
- c. Aid to Families with Dependent Children (AFDC).
- d. Medicaid.
- e. All of the above.

29. Which of the following makes U.S. welfare policy different from that most of European democracies?
- Americans have tended to insist that welfare benefits be particularized and take the form of cash payments.
 - Americans have been quicker than other countries to adopt many components of the welfare state.
 - Americans have insisted that the federal government play a large role in the running of the welfare programs.
 - Americans have tended to favor aid in the form of money over aid in the form of services.
 - Americans have generally taken a more restrictive view of who is entitled to receive government assistance.
30. Which of the following has *not* been declared purpose of welfare policies in the United States?
- Helping people with disabilities
 - Redistributing income
 - Providing social insurance to cushion against hard times
 - Giving job skills to those who lack them
 - Providing training to those who lack skills.
31. The typical U.S. preference in dealing with the problems of the poor is to relieve them by providing
- cash.
 - moral exhortations.
 - jobs.
 - services.
 - savings bonds.
32. The impetus for the creation of various welfare programs in the United States came from
- the labor movement of the 1890s.
 - the progressive movement that began in 1908.
 - ordinary politics, as in France.
 - ordinary politics, as in Great Britain.
 - the Great Depression of the early 1930s.
33. Concerning the provision of welfare benefits by the federal government, the U.S. *Constitution*
- was clear in requiring him.
 - specifically permitted them but did not make them mandatory.
 - was unclear until the Fourteenth Amendment was added.
 - was silent.
 - was unclear until the Fifteenth Amendment was added.
34. Which of the following replaced the old AFCD?
- Old Age, Survivors and Disability Insurance (OASDI).
 - Medicare.
 - Unemployment Insurance.
 - Temporary Assistance for Needy Families.
 - Supplemental Security Insurance.
35. All of the following involve a means test *except*
- Temporary Assistance for Needy Families.
 - Supplemental Security Income.
 - Food Stamps.
 - Medicaid.
 - Medicare.

36. Huey Long, Upton Sinclair, and Francis Townsend all proposed
- keeping welfare politics at the state level.
 - watered-down versions of the New Deal.
 - more radical alternatives to Social Security.
 - private philanthropy to solve widespread poverty.
 - work houses for the unemployed.
37. MediCal differs from Medicare because it provides
- medical assistance to the aged.
 - medical assistance to the general public.
 - medical assistance to the poor.
 - catastrophic medical coverage.
 - catastrophic medical coverage to veterans.
38. The key problem in reforming Social Security will be
- not enough people to pay taxes to provide benefits for every retired person
 - too few people to receive benefits.
 - not enough "deserving" people to receive benefits.
 - convincing older persons to support its continuance.
 - convincing politicians there is a real problem.
39. Which country pays the most for health care?
- Italy
 - Germany
 - France
 - United Kingdom
 - United States
40. Which of the following statements concerning *The No Child Left Behind Act* of 2001 is *incorrect*?
- The plan was supported by Democratic Senator Ted Kennedy.
 - Republicans complained because the law did nothing for the cause of school vouchers.
 - The public seemed to respond to passage of the *Act* favorably.
 - The *Act* was passed quite easily.
 - None of the above.
41. The U.S. Supreme Court had ruled school voucher programs
- unconstitutional, if created by Senate.
 - constitutional, if created by the Senate.
 - constitutional, if they provide true private choice.
 - constitutional, if no public tax payer money is involved.
 - constitutional, if transportation is exempted.
42. According to Charles Murray, Aid to Families with Dependent Children (AFDC) actually contributes to poverty rather than addressing it because the program
- changes the public's perception of who is deserving.
 - encourages overspending by recipients.
 - allows administrators too much direction.
 - encourages mothers to have more children.
 - discourages people from looking for jobs.

43. Over _____ percent of college freshmen think that the government should do more to protect the environment.

- a. 40
- b. 50
- c. 60
- d. 70
- e. 80

44. One reason environmental policy tends to be so controversial is that

- a. environmental policy creates winners and losers who share equally in costs and benefits.
- b. environmental policy often takes the form of majoritarian politics, which requires strong emotional appeals to overcome the political advantage of client groups.
- c. so many environmentally issues are enmeshed in scientific uncertainty.
- d. environmental issues mobilize voters and swing elections.
- e. most people feel that government is already doing enough to control pollution.

45. Compared with European countries, environmental policy making in the United States tends to be

- a. more regional.
- b. less centralized.
- c. more adversarial.
- d. less client centered.
- e. more uniform.

46. All of the following statements concerning the Kyoto-Protocol are correct *except*:

- a. President Bush scrapped the treaty.
- b. President Clinton pushed hard for its ratification.
- c. It would have had little effect on countries such as China and India.
- d. It was strongly opposed in the Senate.
- e. It called for a 5 percent reduction in world-wide greenhouse gases.

47. The Environmental Protection Agency (EPA) was created during the administration of

- a. Richard Nixon.
- b. John F. Kennedy.
- c. Jimmy Carter.
- d. Lyndon Johnson.
- e. None of the above.

48. _____ politics created the environmental movement.

- a. Entrepreneurial
- b. Majoritarian
- c. Interest group
- d. Client
- e. Reciprocal

49. Today, there are more than _____ species on the Endangered Species list.

- a. 100
- b. 300
- c. 600
- d. 2,000
- e. 13,000

50. An average citizen is *most* likely to support tough environmental protection measures when
- costs of the measure are considerable.
 - people believe the benefits are great enough.
 - almost everyone benefits from the measures.
 - benefits are deferred to some later date.
 - costs of the measures are hidden or deferred.
51. Two major opposing groups in the acid-rain controversy are
- Canadian power and coal companies and eastern environmentalists.
 - eastern power and coal companies and Midwestern environmentalists.
 - Midwestern power and coal companies and eastern environmentalists.
 - eastern power and coal companies and Canadian environmentalists.
 - Canadian power and coal companies and Midwestern environmentalists.
52. A battle between residents and developers over the use of farmland is *most* likely to involve
- client politics.
 - entrepreneurial politics.
 - interest-group politics.
 - majoritarian politics.
 - reciprocal politics.
53. A decade after the Superfund legislation came into law, about _____ of 1,200 known hazardous waste sites had been cleaned up.
- 1,100
 - 980
 - 500
 - 112
 - 14
54. The text suggests more of the Superfund money went to _____ than to waste removers.
- CEOs
 - congressmen
 - lawyers
 - Senators
 - reporters
55. One obstacle to a sane environmental policy in this country is that
- the means of achieving the goals of such a policy are complicated by local considerations, technological problems, and costs.
 - most people give a low priority to environmental protection.
 - environmental politics is largely majoritarian in nature.
 - Congress has been reluctant to become involved in environmental matters.
 - many environmentalists are within government.
56. Offsets, bubbles, and banks are all
- pollution-control devices that effectively reduce air contamination.
 - tests conducted by the Environmental Protection Agency (EPA) on agricultural pesticides.
 - devices which restrict air pollutants in certain types of manufacturing environments.
 - pollution-control rules devised by the EPA under its command-and-control strategy.
 - EPA incentives for companies to reduce pollution.