# Econ 203 Exam 3 (Make sure to put your name on your scantron)

1. Economist Julian Simon used which term to describe the creative and innovative abilities of humans?

a. Factor X b. Ultimate Resource

c. Creative Destruction d. none of the above

2. Economist Kenneth Boulding used which term to describe the limits of recourses?

a. Spaceship Earth b. Apollo Voyage

c. Mission Mars d. none of the above

3. In the 18th/19th century thinker/writer who viewed population growth as greater than food production growth with was

a. Jean Say b. John Stuart Mill

c. David Ricardo d. none of the above

4. In our discussion about African economic problems, and particularly Nigeria, which of the following seems a common occurrence?

a. diversion of aid and funds for economic development into the hands of government officials and other powerful elites

b. World Bank and IMF funding that is promised but never received

c. lack of personal initiative on the part of citizens and workers

d. all of the above

5. The GapMinder graphic illustrates that

a. as population has grown in the last 200 years, so have incomes and life expectancies

b. as incomes have grown in wealthy countries, populations and incomes have shrunk in poor countries

c. population and incomes have grown since 1900 but not life expectancy

d. none of the

6. A table in the CEE reading on Natural Resources indicates that

a. the reserves of several important metals have been depleted in recent years because of high production rates

b. the reserves of several important metals have been diminishing at slow rates because of conservation efforts

c. the reserves of several important metals have been increasing by large amounts in spite of high production rates

d. none of the above

7.. A microeconomic view of sustainability focuses on

a. the importance substitutions to alternatives as a resource grows scarce and price increases

b. the importance of limits and finite resources

national plans for utilizing resources over several generations

d. all of the above

8. Which of the following is a basic fact of income-wealth equality/inequality in the U.S.?

a. large numbers of households in the lowest income groups move to a higher group within 10

b. the share of total income going to each fifth of the population is about the same

c. very little income transferred to the poor in the U.S.

d. all of the above

9. Which of the following is a basic fact of income-wealth equality/inequality?

a. within-country differences account for a larger share than across-country differences

b. differences within the U.S. and Europe are much smaller than within a country like Brazil

c. the poorest nations in the world are catching up to the rest of the world

d. only the already wealthy nations are getting wealthier

10. Which of the following is a contributor to chronic poverty in the U.S.?

a. free trade b. family problems

c. few transfers to poor d. none of the above

11. The “Samaritan’s Dilemma” faced by aid giving countries or organizations in dealing with low income countries refers to

a. the tradeoff between using money to help poor countries and using it to do things in one’s own country

b. the difficulty of using money in ways that builds long term skills rather than solving short term problems

c. the problem that officials in low income countries know aid will likely be given even if they don’t meet conditions of aid

d. the problem of civil strife and civil war in many of the low income nations

12. Which of the following events is evidence of the problem of aggregating (adding up) views of what is good and fair?

a. the 1912 presidential election

b. the election of Hitler in 1932

c. the 2008 GOP primaries

d. all of the above

13. Which of the following statements is accurate?

a. within country income differences are much larger than between country differences

b. income differences within the U.S. are much larger than those for countries like Brazil

c. the poor in the U.S. are very similar in income to poor in the rest of the world

d. none of the above

14. Which of the following countries has the largest within country differences in wealth/income?

a. U.S. b. Japan

c. France d. Brazil

15. In dealing with natural resource and sustainability issues, caution should be exercised in

a. extending recent or current trends far into the future

b. imposing environmental values of rich nations on poor nations

c. thinking that imposing limits on use is always the best or first solution

d. all of the above

16. Which of the following writers bet Population Bomb writer, Paul Ehrlich, regarding the 10 year trend in the prices of five metals?

a. David Ricardo b. Jean Say

c. Julian Simon d. Milton Friedman

17. An important economic point about resource extraction and use is that

a. all methods impose some tradeoff costs

b. renewable methods impose no costs

c. a “free lunch” is obtainable with enough commitment

d. none of the above

18. The topic of “sustainability” in its common use adopts which of the following viewpoints:

a. resources are limited, therefore, must be conserved through active planning

b. changes in prices will respond to resource depletion and create conservation by consumers

c. human innovation and creativity is the best means of sustaining economic growth and population

d. none of the above

19. How much has been transferred to poorer Americans each year over the past 10 years (including payments to those providing assistance or administering programs):

a. $1 billion b. $50 billion

d. $100 billion d. $500 billion

20. The article in which the Harvard economist Robert Barro discusses poor country problems with Bono appears in

a. Forbes b. Wall Street Journal

c. Business Week d. none of the above

21. Put “A” for your answer

Correct Answers: 1b, 2a, 3d, 4a, 5a, 6c, 7a, 9b or c, 10b, 11c, 12d, 13d, 14d, 15d, 16c, 17a, 18a, 19d, 20c