

Name _____

Block _____

Second Semester Exam

The Making of the Modern Mind: World Literature and Economics

Answer the following questions. Circle multiple-choice answers on this sheet. Use your own binder paper for all other written answers.

Part I. Economics

Section 1: Multiple Choice

Circle the best answer for these multiple-choice questions.

1. Economics is the study of
 - A. resources and how people distribute them
 - B. money and how people exchange it
 - C. scarcity and how people deal with it
 - D. capitalism and how it functions

2. Which of the following is the most essential for a market economy?
 - A. effective labor unions
 - B. good government regulation
 - C. responsible action by business leaders
 - D. active competition in the marketplace

3. Which of the following is the best interpretation of Adam Smith's metaphor of the "invisible hand"?
 - A. The pursuit of self-interest is the best way to promote the good of society.
 - B. The good of society is not as important as the freedom of the individual.
 - C. A free market motivates people to work consciously for the good of society.
 - D. all of the above

4. Profits are equal to:
 - A. sales minus taxes and depreciation
 - B. sales minus wages and salaries
 - C. assets minus liabilities
 - D. revenues minus costs

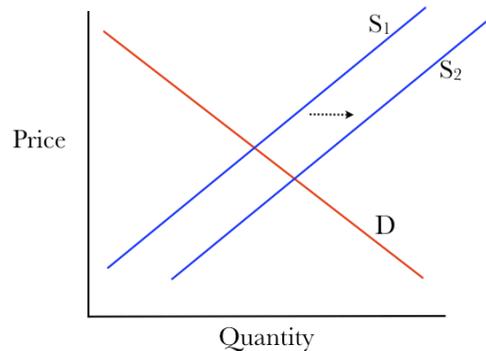
5. "Economic demand" for a product refers to how much of the product
 - A. is available for purchase from business at each price
 - B. people are willing and able to buy at each price
 - C. people want, whether they can buy it or not
 - D. consumers can afford

6. Price is determined by
 - A. how much a seller thinks that product is worth
 - B. how much a buyer thinks that product is worth
 - C. the balance between what buyers demand and sellers can supply
 - D. either companies or the government

7. Which of the following could increase the average price of cell phone service?
 - A. A new cell phone company enters the market.
 - B. A government program to give free cell phones to senior citizens increases the demand for service plans.
 - C. A high unemployment rate in the workforce.
 - D. The Internet continues to make it easier for people to contact friends without a cell phone.

8. How does a market system resolve the problem of shortages?
 - A. Shortages will result in higher prices, which will provide an incentive for more production.
 - B. Shortages will result in lower prices, which will provide an incentive for consumers to buy other goods not in short supply.
 - C. Shortages of one good will always be balanced by surplus supplies of other goods.
 - D. Goods are rationed equitably by “first come, first served.”

9. In the graph to the right, the supply curve for a certain product has shifted from S_1 to S_2 . Which of the following could explain this change?



- A. Consumers' tastes have changed.
 - B. Immigration has increased the number of potential customers.
 - C. Times are good, and consumers are making more money.
 - D. A technological breakthrough in the industry has lowered how much it costs to produce the product.

10. Competitive colleges have more applicants than they have spots for their incoming freshman class; therefore they must ration their acceptances. All the following are non-price rationing mechanisms used by universities EXCEPT:
 - A. SAT scores
 - B. the college's ability to provide financial aid
 - C. the desire to invite students from all regions of the country
 - D. grade point average

Section 2: Short Answer

Answer the following questions with one to two paragraphs on your own binder paper.

1. Listen to the radio broadcast from NPR, which predicts a tough job market for teens this coming summer. Explain the possible consequences of this on the larger economy using the concept of circular flow.
2. Give a detailed definition of a *free market economy*, and explain why Adam Smith, economic philosopher, believes that a free market economy is the best system for the public good. What are the downsides of a market economy?
3. Explain the difference between the *fixed costs* and *variable costs* for a supplier. Illustrate with an example from a business.
4. For decades, San Francisco has regulated its housing market with rent control laws. In effect, when a tenant moves into an apartment, her monthly rent is locked in place for as long as she lives there; her landlord cannot raise the rent until she voluntarily moves out. Draw a line graph that shows what likely effect this price ceiling has on the supply and demand curves for the average apartment in San Francisco. Follow this with a short paragraph that identifies the pros and cons (or winners and losers) of San Francisco's rent control policy.
5. Using economic terms, explain why the price of Metro's prom ticket fell from \$70 to \$60. Also, hypothesize why the price did not drop further, to say \$50.

Section 3: Essay

Answer the following question with a short essay on your own binder paper.

Per the instructions of Les Singer, write an Op-Ed article that announces where the Department of Energy will set the price of gasoline, justifies the decision in the context of possible options, specifies how gas will be allocated under your plan, and identifies the winners and losers. (Assume that the current market price for gas is \$5.00 per gallon.)

The purpose of the article should be to educate the public about the economic concepts involved; a satisfactory answer **MUST** explain in plain English **WHY** a gas shortage is likely if the ceiling is set below the market price.

Part II. Literature

Section 1: Sentence Parts

For each of the following sentences, circle all subjects, box all verbs, underline the independent clause, and double-underline any dependent clauses. (Note: Not every sentence has a dependent clause.)

1. Metro's senior class, whose graduation we celebrate at the end of the week, has played a pioneering role at our school.
2. For the seniors, a new journey begins after they say their goodbyes on Saturday.

3. Although we will miss the seniors, it is time for the juniors to lead the school.

Section 2: Tight Writing

Revise each of the following sentences with tighter writing.

1. A basic understanding of grammar will be needed when you are enrolled in a class for writing in college.
2. My expectation for my students in this class is that you have learned to make connections between what you read in books and what you experience in life.

Section 3: Parallelism

The following sentences have faulty parallelism (i.e. the sentences split into multiple grammatical elements, but those elements are currently not equal). Revise to correct grammar and improve rhetorical style.

1. She likes wearing designer clothes, to listen to hip-hop music, and gourmet food is essential.
2. In life, success comes to those who work hard, who love with passion, and be sure to laugh often.

Section 4: Essay on the evolution of literature in the Modern Era

Based on what you have read and learned this year, respond to this quote by Jacques Barzun, a renowned cultural historian, in his book *From Dawn to Decadence*:

The sequence of dominant genres during our half millennium has paralleled the march of the Individual toward equality; it runs: epic, tragedy, the lyric [poem] speaking for the self, and the novel and play in prose criticizing life. This is to say that it goes from the hero of a whole people, to the great hero of tragedy, to the common-man hero, to the anti-hero. (153)

You have many options in how to respond to this prompt, but here are a few questions to consider in framing a response:

- How do the books you have read correspond with this thesis?
- Why would a “march of the Individual toward equality” culminate in literary characters that are anti-heroes?
- Do you agree or disagree with Barzun’s thesis that the last 500 years have been a march toward equality?
- Can you think of other literary evidence that supports this theory?

Part III. Reflection

Reflect on your learning this year. How have you advanced as a reader, writer, and critical thinker? What were your milestones? To what work would you point to prove your growth? What big intellectual ideas are you taking away with you? What big intellectual questions do you carry forward?