



Chapter 18 Exercises

Multiple Choice

- What is the definition of the term *commodification*?
 - The changing of something not generally thought of as a commodity into something that can be bought and sold in a marketplace
 - An activity that benefits people, such as health care, education, and entertainment
 - An economic system that adheres to the principles of socialism
 - A benefit given to those who participate in the capitalist market
- Which of the following is an example of structural unemployment?
 - A large fire burns down an automotive plant in Detroit, temporarily forcing the employees out of work.
 - Three sales associates from Target are fired after stealing merchandise from the electronics department.
 - John quits his job after getting accepted into law school.
 - Though many companies are hiring in Washington, DC, unemployment is high in Tennessee.
- During what time period did economies begin to develop globally?
 - The Industrial Revolution
 - The postindustrial revolution
 - The agricultural revolution
 - The Information Age
- Terrence and his family own a farm. They grow only enough to feed the family and pay their taxes. What are Terrence and his family engaging in?
 - Capitalism
 - Mercantilism
 - Capitalistic farming
 - Subsistence farming
- Which of the following is an example of polarization?
 - The job market is increasing in the lowest economic levels and increasing in the highest economic levels.
 - A professional career is guaranteed after earning a college degree.
 - Unemployment is down for those with PhDs and those without a high school education.
 - A recession has encouraged many workers to earn their associate degrees.
- Jin is a conflict theorist. Which statement about Occupy Wall Street would most align with Jin's sociological perspective?
 - Occupy Wall Street was positive; our capitalist economy is only making social inequality greater.
 - Occupy Wall Street was a waste of time; our capitalistic economy is keeping our nation healthy and is designed for maximum efficiency.
 - Occupy Wall Street was a threat; with so many angry people gathered in one place, violence is inevitable.
 - Occupy Wall Street was dangerous; large crowds in these environments heighten the risk for sexual abuse and gender discrimination.
- The term *xenophobia* can best be defined as:
 - A fear or hatred of things perceived as foreign
 - A marketing campaign aimed at foreign countries selling American goods
 - A pronounced fear of globalization destroying one's job
 - A hatred of corporate America and lobbyists

8. Davis is low on cash but really wants an electric guitar. He offers to trade his acoustic guitar for his friend's electric guitar. Davis is engaging in:
 - a. Supply and demand
 - b. Mercantilism
 - c. Capitalism
 - d. Bartering
9. By 2009, America had suffered several consecutive quarters of economic decline. America was in the midst of a:
 - a. Capital rebuttal
 - b. Recession
 - c. Depression
 - d. Economic slingshot recovery
10. What is the definition of the term *globalization*?
 - a. The process of removing manufacturing and industrial sites from foreign countries and returning them to the United States.
 - b. When products are assembled over the course of several international transactions.
 - c. Long periods of recession followed by sharp worldwide economic upturn.
 - d. The process of integrating governments, cultures, and financial markets through international trade into a single world market.
11. What was the significance of NAFTA?
 - a. It encouraged trade with North Korea, which had previously been embargoed.
 - b. It allowed freer trade opportunities for the United States, Canada, and Mexico.
 - c. It forbade trade with any country that didn't have a capitalist government.
 - d. It restricted trade within North American countries by imposing a heavy tax and tariffs.
12. Apple computer parts are made in China, and their tech support is located in India. This is an example of a:
 - a. Decisive export
 - b. Global assembly line
 - c. Global commodity chain
 - d. Xenophobia
13. Keshawn used to work for an IT company in Baltimore, U.S., but lost his job when his company decided to use workers in New Delhi, India instead. This is an example of:
 - a. Outsourcing
 - b. Polarization
 - c. Automation
 - d. The technology gap
14. The term *mercantilism* can best be defined as:
 - a. An economic system in which there is private ownership (as opposed to state ownership) and an impetus to produce profit and thereby wealth
 - b. When children tend to enter the same or similar occupation as their parents
 - c. An economic policy based on national policies of accumulating silver and gold by controlling markets with colonies and other countries through taxes and customs charges
 - d. An economic system in which there is government ownership (often referred to as "state run") of goods and their production, with an impetus to share work and wealth equally among the members of a society

15. Which of the following is *not* an example of underemployment?
- After college graduation, Marcus could only find work part-time as a bartender.
 - After his wife gave birth to twins, He-soon quit his job to help raise them.
 - Following a recession, Elle lost her full-time job as a PR assistant and found part-time work as a cosmetic sales associate.
 - When John's sales job was outsourced, he worked as a janitor to pay off his student loans.
16. Alex's country was once communist but now allows limited private ownership of companies and lets market forces determine production and pricing decisions. What kind of economy is Alex living in?
- Market communist
 - Market socialist
 - Capitalist
 - Democratic
17. What is one reason unemployment statistics are unreliable?
- Those surveyed frequently lie about their employment status.
 - The statistics include only those who are currently looking for work.
 - The government only surveys those who have been out of work for a year or more.
 - Different states define unemployment in different ways.
18. Which of the following industries is *not* projected to experience growth within the United States within the next ten years?
- Financial
 - Healthcare
 - Community and social service
 - Farming, fishing, and forestry
19. Émile Durkheim described mechanical solidarity as:
- A form of socialism under which individuals and cooperative groups exchange products with one another on the basis of mutually satisfactory contracts
 - A form of social cohesion that comes from sharing similarities
 - A form of social cohesion that arises out of the mutual interdependence created by the specialization of work
 - A practice where jobs are contracted to an outside source, often in another country
20. Which of the following is an example of convergence theory in action?
- Germany rebuilt its economy after World War II, creating more job opportunities and prosperity for its citizens.
 - Following the decline of the automotive industry, Detroit became a bankrupt city with high unemployment.
 - The suburbs of Paris had higher crime rates after wealthier citizens moved into the city, pushing the lower classes out of their homes.
 - Washington, DC, has become a city to which many young people move because of its low unemployment rate and job opportunities.

Free Response

21. Explain the difference between state socialism with central planning and market socialism.
22. In what ways can capitalistic and socialistic economies converge?
23. Describe the impact a rapidly growing economy can have on families.
24. How do you think the U.S. economy will change as it moves closer to a technology-driven service economy?
25. What impact has globalization had on the music you listen to, the books you read, or the movies or television you watch?
26. What effect can immigration have on the economy of a developing country?
27. Is globalization a danger to local cultures? Why or why not?
28. Do you believe the United States is a true meritocracy? Why or why not?