

AGES UNIT I ASSESSMENT Expanded Study Guide

Answer each question on another piece of paper.

The following questions relate directly to the first assessment. If you can answer these questions you will do very well on the assessment.

Complete these questions by Wednesday 2/18.

Today in class I recommend that you first complete the review guide on your own and without the aid of any resources including your classmates.

Skip any question that you don't know the answer to and circle the number. Before the day of the test you should revisit any question that you had circles.

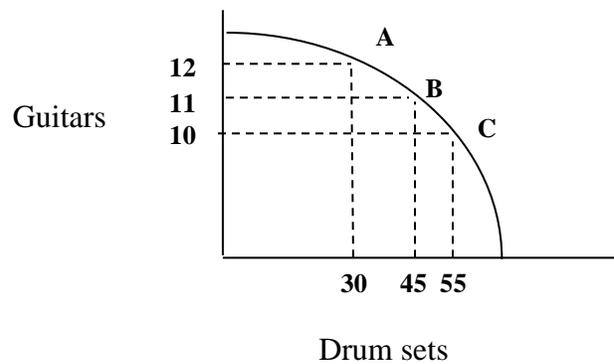
For any circled question use your resources and people around you to help you find the answer.

Not knowing will not be acceptable come test time. Use the resources around you to help you better understand the material.

- A. The schoolwires site- online book, online notes, online videos**
- B. Classmates- you may work with each other on this packet**
- C. The internet**
- D. I will make myself available after school on Wednesday 2/18**

- 1. In the Declaration of Independence, Thomas Jefferson writes about what key ideas regarding the social contract?**
- 2. What are the broad purposes of government according to the Preamble of the Constitution?**
- 3. Explain the Ideas of John Locke. Consider the Social Contract.**
- 4. Explain the ideas of Thomas Hobbes regarding the Social Contract.**
- 5. Explain the ideas of Jean-Jacques Rousseau regarding the Social Contract.**
- 6. Explain the ideas of Adam Smith specifically the invisible hand.**
- 7. What is the message of the Prisoner's Dilemma game? What does the model attempt to teach about self interest and its impact on the group?**
- 8. What is the message of the Stag Hunt?**
- 9. Explain the original dilemma and relate it to the Preamble of the Constitution**

10. What is the primary purpose of all economic systems?
11. Be able to fully explain cost, opportunity cost, and external cost
12. According to Adam Smith,
 “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner,”
 According to Smith why should you expect your dinner?
13. In free markets what information is needed to know what to produce?
14. For the standpoint of society as a whole, what is the true cost of anything?
15. The idea that there has never been enough to satisfy everyone completely is referring to which economic term?
16. In a capitalist economy who owns the factors of production (land, capital, resources).
17. What type of economy is the American economy?
18. If an economy is currently operating at point B, what is the opportunity cost of producing one more guitar?



19. Assuming John is a history teacher during the day and performs stand-up comedy at night. If John can write 250 jokes in one year or develop 125 lesson plans in one year, then what is his opportunity cost of writing one joke?
20. According to the author of the reading, Benevolent Authority, why does Plato's idea of a Benevolent Authority contradict the ideas of Prisoner's Dilemma?
21. When the United States and Mexico trade who benefits and who gets harmed? Why?

... and by directing industry in such a manner as its produce may be of the greatest value, he intends only his own gain and he is in this, as in many other cases, led by an invisible hand to promote an end which was not part of his intention. Nor is it always the worse for society that it was not part of it. By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it.

Adam Smith, *The Wealth of Nations*, 1766

22. What is the invisible hand
23. The modern Dilemma refers to the balance between which two important ideals?
24. What are the questions that every economic system must attempt to answer?
- a. In command economies who answers the questions?
 - b. In Free markets who answers the questions?
25. What are common beliefs about free markets held by supporters of free markets?
26. Explain the subjective theory of value.
27. Identify where efficient, inefficient, and unobtainable are located on the PPC.
28. What are the primary economic purposes of Government and give a specific example for each.
29. What are the differences between free markets and command economies?
30. What type of economic system do we have in the United States?

Government roles in a mix market economy.

- 1. Maintaining Legal and Social Framework**
- 2. Maintaining Competition**
- 3. Providing Public Goods and Services**
- 4. Redistributing Income**
- 5. Correcting for Externalities**
- 6. Stabilizing the Economy**

Give a current and specific example for each.

