**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**American Government-Chapter One Section Four**

**Multiple Choice**

*Identify the choice that best completes the statement or answers the question.*

**MAIN IDEAS**

\_\_\_\_ 1. Private individuals and companies decide what products to manufacture and what prices to charge for goods and services in a

|  |  |  |  |
| --- | --- | --- | --- |
| a. | market economy. | c. | welfare state. |
| b. | socialist economy. | d. | command economy. |

\_\_\_\_ 2. In a mixed economy,

|  |  |
| --- | --- |
| a. | private enterprise competes with the government for economic dominance. |
| b. | the government and private enterprise coexist as major participants. |
| c. | all business enterprises are publicly owned, but privately managed. |
| d. | the government directs all economic activity. |

\_\_\_\_ 3. Karl Marx wrote *The Communist Manifesto* as

|  |  |
| --- | --- |
| a. | a direct attack on democracy in the United States and Europe. |
| b. | a call to improve market economies. |
| c. | an anti-tax revolt. |
| d. | a call to all oppressed workers to free themselves from "capitalistic enslavement." |

\_\_\_\_ 4. Because private enterprise and government coexist together in American economic life, the economic system is called a

|  |  |  |  |
| --- | --- | --- | --- |
| a. | federalist economy. | c. | purely socialist economy. |
| b. | mixed economy. | d. | a quasi-command economy. |

\_\_\_\_ 5. A distinctive feature of capitalism is that

|  |  |
| --- | --- |
| a. | the goods and services produced by capital become public property. |
| b. | private individuals are prohibited from owning productive property. |
| c. | most productive property is owned and operated by private individuals or companies. |
| d. | only public officials can decide how productive property is to be used. |

\_\_\_\_ 6. Public ownership of productive property combined with large-scale centralized planning is a representative trait of which economic system?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | communism | c. | democracy |
| b. | capitalism | d. | free enterprise system |

\_\_\_\_ 7. The ideas of socialism developed in large part as a

|  |  |
| --- | --- |
| a. | reaction to poverty and hardships caused by the Industrial Revolution. |
| b. | result of the struggle for bourgeoisie independence from the proletariat elite. |
| c. | peaceful alternative to the violence associated with democracy. |
| d. | voluntary movement towards a publicly managed free enterprise economy. |

**INTERPRETING POLITICAL CARTOONS**

*Use the chart to answer the following questions.*

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\_\_\_\_ 8. The sculpture in the cartoon represents Karl Marx, who

|  |  |
| --- | --- |
| a. | developed the theory of laissez-faire. |
| b. | believed that socialism could only be attained through the democratic process. |
| c. | developed the basic concepts of communism. |
| d. | was the first Soviet leader to put communist theory into action. |

\_\_\_\_ 9. What word or words have been covered by the workman's sign?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | unite | c. | be patient |
| b. | rejoice | d. | have faith |

\_\_\_\_ 10. What point is the cartoonist trying to make?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Workers dislike Marx. | c. | Marx symbolizes unity. |
| b. | Marx's theories did not work. | d. | The truth cannot be hidden. |

\_\_\_\_ 11. One drawback of capitalism that is pointed out by socialists is that, under capitalism,

|  |  |
| --- | --- |
| a. | the individual has the freedom to succeed economically, but also to fail. |
| b. | industry continues to expand and need more workers. |
| c. | the weak (those without advantages and opportunities) are exploited by the strong. |
| d. | the corporation is taxed twice. |

\_\_\_\_ 12. In Karl Marx’s theory of communism, the two opposing forces were

|  |  |
| --- | --- |
| a. | the workers and the capitalists. |
| b. | the Communist Party and the government. |
| c. | the proletariat and the workers. |
| d. | the bourgeoisie and the government. |