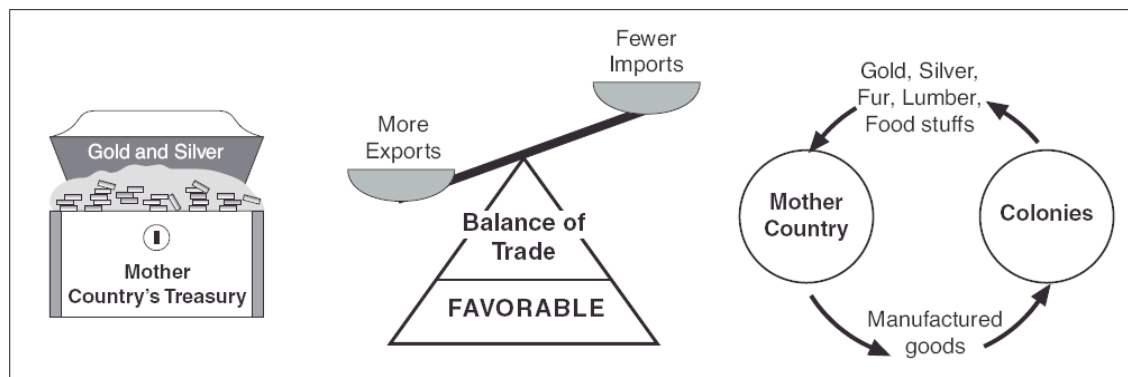


Multiple Choice Homework Questions

Directions: Answer the Multiple Choice questions below. After answering the questions write a paragraph explaining why you choose your answer. This will be collected tomorrow

1 One principle in the theory of mercantilism is that colonies should be

- A Granted independence as soon as possible
- B Considered an economic burden for the colonial power
- C Encouraged to develop their own industries
- D Acquired as markets and sources of raw materials

2 Base your answer to this question on the illustration below and on your knowledge of social studies.**A European View**

Which policy is portrayed in this illustration?

- (A) Nonalignment
- (B) perestroika
- (C) Laissez-faire capitalism
- (D) mercantilism

3 Which heading best completes the partial outline below?

I. _____

- A. Market system
- B. Profit incentive
- C. Entrepreneurs

- A Forms of Government
- B Characteristics of Capitalism
- C Structure of the Guild System
- D Elements of Culture

4 Laissez-faire economists of the 19th century argued that

- A The government should regulate the economy and foreign trade
- B Individuals should be allowed to pursue their self-interest in a free market
- C Governments should develop a state-run banking system to prevent instability
- D Anarchy would result if universal male suffrage was granted

5 What is a key principle of a market economy?

- A The means of production are controlled by the state.
- B Supply and demand determine production and price.
- C Employment opportunities are determined by social class.
- D Businesses are owned by the people collectively.