

BASIC ECONOMICS

CHAPTER 10 QUESTIONS

1. If the government passed a law limiting each household to one vehicle, what would be some of the unintended consequences of this decision?

2. If there were two workers doing the same job for the same company at the same pay, which factors could make one of them more valuable to that company?

3. In your own words, what's the difference between wealth and income?

4. Are “the rich” and “the poor” the same people from decade to decade? Yes No

5. Give two circumstances cited in the book that would move the same person from the bottom 20% of income earners to the top 20% in a single year.

6. Give two circumstances cited in the book that would move the same person from the top 20% of income earners to the bottom 20% in a single year.

7. In the high competition of free markets, what development was more responsible for equal pay for women than all the social reforms and activism designed to change political attitudes (see subhead “Differences in Skills”)?

8. What is the most obvious reason why individuals live at different economic levels?

9. What three reasons why women *as a group* make less than men over a lifetime?

a) _____

b) _____

c) _____

10. How does discrimination hurt employers?

11. In poorer countries, capital tends to be more scarce plentiful
and labor tends to be more scarce plentiful