

Name _____

Date _____

Class _____

Teacher _____

Quiz: Capitalism Myths Pt 1

Directions: Select the answer that best completes the sentence.

1) Research shows that when entrepreneurs got rich, _____.

- A) they kept only 2.2% of the additional wealth that was generated
- B) it was by cutting employee pay and reducing the number of jobs
- C) they kept almost 98% of the benefits created for the economy
- D) consumers got poorer because the entrepreneurs took their money

2) John Stossel and economist Dan Mitchell believe the most important fact about capitalism is that _____.

- A) capping how much money people make allows others to make more
- B) capitalism creates monopolies, which allow big companies to employ more workers
- C) people voluntarily exchange their money for something they value more
- D) makes 98% of the population poorer than they would be in a socialist system

3) All of the following are features of capitalism, except that it _____.

- A) leads to wealthy people taking their money out of the economy and storing it in banks
- B) motivates people to innovate and improve goods and services
- C) increases the economic wealth of a society
- D) allows people to choose from competing products

4) In the United States, monopolies _____.

- A) exist because of corporate greed
- B) lead to improved products and services for consumers
- C) do not pay taxes because they employ millions of workers
- D) are almost always a result of government prohibiting competition

5) The main idea of this video is that _____.

- A) the U.S needs to impose more restrictions on large corporations
- B) capitalism makes the rich richer and the poor poorer
- C) capitalism promotes competition, which leads to better goods and services for consumers
- D) socialism is superior to capitalism

Capitalism Myths Pt 1 - Answers:

1. A
2. C
3. A
4. D
5. C