

Name _____

Date _____

Class _____

Teacher _____

Quiz: Why Pharmaceutical Companies Can Charge More for Medication

Directions: Select the answer that best completes the sentence.

- 1) The federal Food and Drug Administration _____.
 - A) sets prices that drug companies are allowed to charge
 - B) has no power over legal drugs, only illegal drugs
 - C) has the power to approve or reject pharmaceutical drugs that companies want to sell
 - D) approved the high cost of EpiPens (epinephrine injectors)

- 2) The term cronyism, as used by Jeff Deist, is _____.
 - A) government assisting companies that are working to produce products that will help people
 - B) the failure of the patent system to protect companies against counterfeit products
 - C) government deciding who wins and who loses in industry
 - D) the free market system at work

- 3) According to John Stossel, if we got rid of the FDA, _____.
 - A) crooks would poison us with unsafe products
 - B) companies such as UL or Consumer Reports would verify and publicize product safety
 - C) no market mechanism would develop that could verify and publicize product safety
 - D) the price of pharmaceutical drugs would fall by 40%

- 4) According to Jeff Deist, the difference between free market capitalism and state capitalism is that state capitalism _____.
 - A) can be monitored at the state level, so the federal government's FDA is not involved
 - B) ensures that every state pays its fair share for pharmaceutical drugs
 - C) has only upsides for approved companies, but in the free market, companies can fail
 - D) benefits consumers, free market benefits business owners

- 5) The main point of this video is that _____.
 - A) without the FDA, many people would die from drug overdoses
 - B) competition, which leads to lower prices, is lacking from the pharmaceutical drug industry
 - C) pharmaceutical companies could not make a profit if drug prices fell
 - D) no company wants to risk developing a drug if it can be rejected by the FDA

Why Pharmaceutical Companies Can Charge More for Medication - Answer Key:

1. C
2. C
3. B
4. C
5. B