

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_

Teacher \_\_\_\_\_

## Quiz: Outlawing Price Gouging

**Directions:** Select the answer that best completes the sentence.

- 1) Many states have laws that prohibit \_\_\_\_\_.
  - A) people from buying more supplies than they need during an emergency
  - B) the resale of generators and other emergency equipment
  - C) transporting supplies across state lines in an emergency
  - D) raising prices during a natural disaster or other state of emergency
  
- 2) "Price gouging" is a \_\_\_\_\_.
  - A) benefit to no one but big business
  - B) rejection of the basic economic laws of supply and demand
  - C) federal crime
  - D) negative term associated with raising prices beyond what some people see as reasonable
  
- 3) Milton Friedman, a Nobel Prize-winning economist, said that price gougers \_\_\_\_\_.
  - A) are greedy, selfish people who should be jailed for hurting others
  - B) provide money until the government can reimburse them
  - C) are heroes because they take risks to bring in goods that people desperately need
  - D) are protected by politicians in exchange for donations
  
- 4) John Shepperson, who bought 19 generators and drove 600 miles to sell them to people who needed them, \_\_\_\_\_.
  - A) was greedy and took advantage of his neighbors
  - B) is a government employee who helped people keep power on in their homes
  - C) was forced to close his business because he couldn't obtain needed goods
  - D) was arrested, jailed, and his generators were taken away
  
- 5) The main idea of this video is that despite the negative use of the term "price gouging," raising prices during emergencies \_\_\_\_\_.
  - A) encourages sellers to bring more products to buyers in troubled areas
  - B) leads to fewer products in troubled areas, not more
  - C) violates the economic principles of supply and demand
  - D) should be illegal in all 50 states

**Outlawing Price Gouging – Answer Key:**

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