

## Chapter 20 Quiz

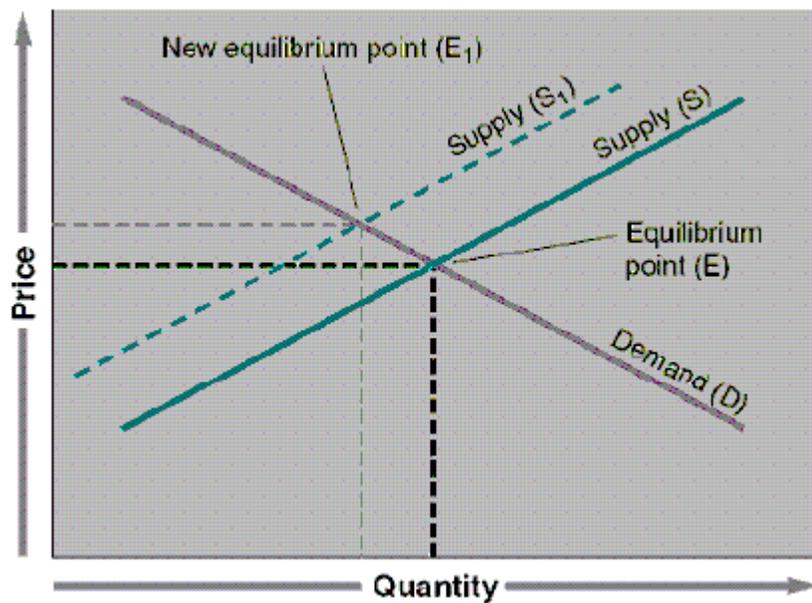
### Multiple Choice

Identify the choice that best completes the statement or answers the question.

- \_\_\_\_\_ 1. The process of using resources to meet the needs of both current and future generations is referred to as:
- NAFTA
  - sustainability
  - preservation
  - remediation
  - environmental conscience
- \_\_\_\_\_ 2. The essentials of human survival can only be satisfied with the adequate provision of:
- environmental gratification
  - aesthetic value
  - intrinsic satisfaction
  - ecosystem services
  - monocultures
- \_\_\_\_\_ 3. Which of the following is the study of how humans allocate scarce resources?
- psychology
  - biochemistry
  - economics
  - environmental science
  - geology
- \_\_\_\_\_ 4. The intersection point on a supply and demand curve indicates:
- the real cost
  - the market equilibrium point for some item
  - the reduction point
  - an externality
  - transaction costs
- \_\_\_\_\_ 5. Which of the following agreements was designed to increase economic development, but may have partially sacrificed social well-being and environmental health?
- Montreal Protocol
  - North American Free Trade Agreement
  - Convention on the International Trade of Endangered Species
  - Copenhagen climate conference
  - Kyoto Protocol
- \_\_\_\_\_ 6. Through what mechanism do producers and consumers communicate the value of an item?
- popularity
  - functionality
  - price
  - manufacturing equilibrium
  - externalization

- \_\_\_ 7. Which type of economic asset includes human knowledge and abilities?
- natural capital
  - human capital
  - manufactured capital
  - environmental economics
  - ecological economics
- \_\_\_ 8. Which type of economic asset includes all goods and services that humans produce?
- manufactured capital
  - natural capital
  - ecological economics
  - environmental economics
  - human capital
- \_\_\_ 9. The cost of a good or service that is not included in the economic price is considered an:
- supply anomaly
  - externality
  - demand equilibrium
  - price gouging
  - transaction cost

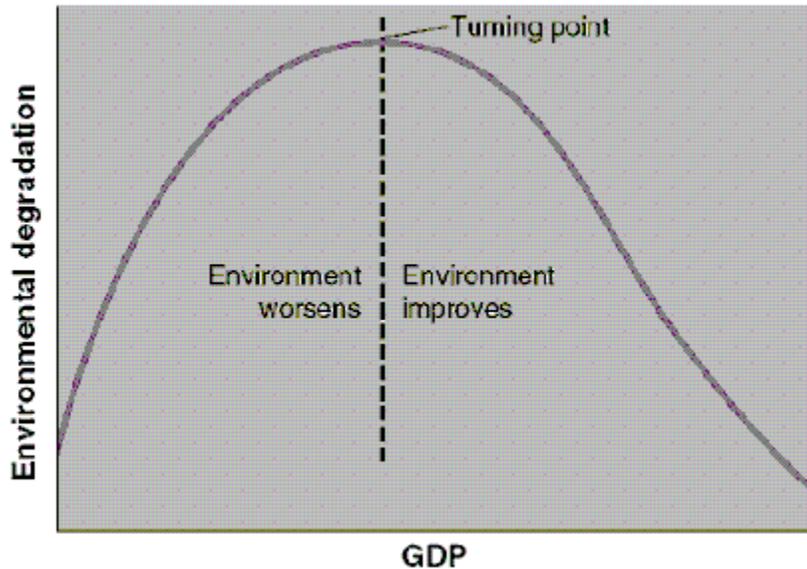
**Figure 20-1**



- \_\_\_ 10. Use Figure 20-1. In the figure, the original supply curve for a good is  $S$ , and the supply curve after the inclusion of an externality is  $S_1$ . What happens to the price and quantity of a good when an externality is taken into account?
- The price increases, and the quantity decreases.
  - The price decreases, and the quantity increases.
  - The price and the quantity both increase.
  - The price and the quantity both increase.
  - The price and the quantity remain the same.

- \_\_\_\_\_ 11. If supply is down in the face of increasing demand, we would expect to witness:
- boycotts
  - a product shortage
  - a product surplus
  - embargo pressure
  - decreased interest rates
- \_\_\_\_\_ 12. Types of spending that increase the gross domestic product include all of the following EXCEPT:
- consumer spending
  - exports
  - government spending
  - imports
  - national investments
- \_\_\_\_\_ 13. As a general rule, nations with a higher GDP can expect to experience:
- lower tax rates
  - higher well-being
  - lower per capita wealth
  - lower per capita pollution
  - decrease in infrastructure
- \_\_\_\_\_ 14. In most cases, which of the following are true of a country whose GDP is increasing?
- per capita wealth increases
  - population growth rate decreases
  - per capita solid waste generation decreases
- I only
  - I and II
  - II and III
  - I and III
  - II only
- \_\_\_\_\_ 15. A scale designed to measure the overall wealth of a nation by including the production as well as health of the population is known as:
- gross domestic product
  - gross national product
  - genuine progress indicator
  - human satisfaction scale
  - national progress initiative
- \_\_\_\_\_ 16. Most economic trends coupled with environmental degradation indicate that as GDP increases the nation will experience a temporary increase in:
- per capita pollution
  - welfare
  - crime
  - population growth
  - school dropout rate

Figure 20-2



- \_\_\_ 17. Use Figure 20-2. What model is shown in the figure?
- the Genuine Progress Index
  - the Gross Domestic Product
  - the Kuznets curve
  - the Human development index
  - the Microcredit cycle
- \_\_\_ 18. Use Figure 20-2. In a society that has passed the turning point shown in the figure, one would expect to see an increase in all of the following EXCEPT:
- well-being
  - life span
  - education level
  - rate of population growth
  - health care access
- \_\_\_ 19. A developing nation has cell phones introduced by wealthier nations. We would say this nation has participated in a:
- technology transfer
  - demographic transition
  - Kuznets shift
  - wealth exchange
  - societal progress pact
- \_\_\_ 20. A developing nation gains access to cell phone technology prior to having the infrastructure or access to basic land line technology. This is an example of:
- NAFTA
  - violation of intellectual property
  - leapfrogging
  - demographic transition
  - technological over wash

- \_\_\_\_\_ 21. In a developing nation that lacks a nation-wide electrical grid, which of the following energy sources is most likely to be an example of leapfrogging?
- natural gas
  - coal technology
  - biomass
  - solar
  - nuclear
- \_\_\_\_\_ 22. The process of microlending is designed to promote which of the following:
- charity within developing nations
  - small business development
  - sustainable economic and environmental practices
- I only
  - I and III
  - II and III
  - II only
  - I, II, and III
- \_\_\_\_\_ 23. Social and environmental impacts resulting from the process of microlending by institutions such as the Grameen bank in Bangladesh can be seen in:
- promoting smaller family size
  - fostering infrastructure for developing energy
  - reduction of soil erosion
  - decrease in women's rights to plan a family
  - purchasing of solar panels for local communities
- \_\_\_\_\_ 24. All of the following are considered examples of natural capital EXCEPT:
- copper ore
  - potable water
  - wind
  - plastic bottles
  - soil
- \_\_\_\_\_ 25. In moving from our current economic system to a more sustainable system, which of the following inputs is likely to increase?
- waster
  - ecosystem services
  - consumption
  - energy
  - resource extraction
- \_\_\_\_\_ 26. When the economic system does not properly account for all costs, including externalities, it is called:
- market volatility
  - price gouging
  - market failure
  - supply and demand
  - microlending

- \_\_\_\_\_ 27. Relating the goals and needs of human society with the preservation and sustainable usage of resources that provide the means to meet those goals is the study of:
- conservation biology
  - dendrology
  - environmental stewardship
  - anthropology
  - ecological economics
- \_\_\_\_\_ 28. Attempting to assign monetary benefits of items that typically may only have intrinsic interest is a component of ecologic economics called:
- prioritization
  - valuation
  - leapfrogging
  - monetary assumption
  - intrinsic banking
- \_\_\_\_\_ 29. An example of incorporating an externality into the cost of a service is represented by:
- sales tax
  - sulfur dioxide cap and trade allowances
  - line usage charge on utilities
  - sticker price of an automobile
  - crude oil price fluctuation
- \_\_\_\_\_ 30. An example of the precautionary principle in action occurred with the global collaborative effort that resulted in:
- the Endangered Species Act
  - Clean Air Act
  - the Marine Mammal Protection Act
  - the Montreal Protocol
  - the creation of the United Nations

## Chapter 20 Quiz Answer Section

### MULTIPLE CHOICE

1. ANS: B	PTS: 1	DIF: E	MSC: Definitional
2. ANS: D	PTS: 1	DIF: E	MSC: Concept based
3. ANS: C	PTS: 1	DIF: E	MSC: Definitional
4. ANS: B	PTS: 1	DIF: E	MSC: Concept based
5. ANS: B	PTS: 1	DIF: M	MSC: Concept based
6. ANS: C	PTS: 1	DIF: M	MSC: Concept based
7. ANS: B	PTS: 1	DIF: E	MSC: Definitional
8. ANS: A	PTS: 1	DIF: E	MSC: Definitional
9. ANS: B	PTS: 1	DIF: M	MSC: Definitional
10. ANS: A	PTS: 1	DIF: E	MSC: Analytical thinking
11. ANS: B	PTS: 1	DIF: E	MSC: Critical thinking
12. ANS: D	PTS: 1	DIF: M	MSC: Definitional
13. ANS: B	PTS: 1	DIF: E	MSC: Concept based
14. ANS: B	PTS: 1	DIF: M	MSC: Concept based
15. ANS: C	PTS: 1	DIF: M	MSC: Definitional
16. ANS: A	PTS: 1	DIF: E	MSC: Concept based
17. ANS: C	PTS: 1	DIF: E	MSC: Definitional
18. ANS: D	PTS: 1	DIF: E	MSC: Concept based
19. ANS: A	PTS: 1	DIF: E	MSC: Definitional
20. ANS: C	PTS: 1	DIF: E	MSC: Definitional
21. ANS: D	PTS: 1	DIF: M	MSC: Fact based
22. ANS: C	PTS: 1	DIF: M	MSC: Concept based
23. ANS: A	PTS: 1	DIF: M	MSC: Concept based
24. ANS: D	PTS: 1	DIF: E	MSC: Definitional
25. ANS: B	PTS: 1	DIF: M	MSC: Concept based
26. ANS: C	PTS: 1	DIF: E	MSC: Definitional
27. ANS: E	PTS: 1	DIF: M	MSC: Definitional
28. ANS: B	PTS: 1	DIF: M	MSC: Definitional
29. ANS: B	PTS: 1	DIF: E	MSC: Critical thinking
30. ANS: D	PTS: 1	DIF: M	MSC: Critical thinking