

Exam

Name _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) When people make choices that will give them the greatest amount of satisfaction at a particular time based on the information they have at their disposal, it is called 1) _____
A) economic independence. B) conspicuous consumption.
C) rational self interest. D) socialism.

Answer: C

Topic: Introduction

- 2) Who is considered the father of the modern consumer movement? 2) _____
A) Andrew Carnegie B) Alan Greenspan
C) Adam Smith D) Harvey Wiley

Answer: D

Topic: 1900s

- 3) Which is characterized as a drastic and long-lasting decline in the economy with high unemployment, falling prices, and decreasing business activity? 3) _____
A) Expansion B) Recession C) Depression D) Contraction

Answer: C

Topic: 1920s

- 4) The undesirable change in biological, chemical, or physical characteristics of air, land, or water that harms activities, health, or survival of living organisms is 4) _____
A) trash. B) junk. C) pollution. D) spam.

Answer: C

Topic: 1960s

- 5) Concern for the environment is known as 5) _____
A) nationalism. B) consumerism.
C) consumer economics. D) environmentalism.

Answer: D

Topic: 1960s

- 6) Who wrote the book "Unsafe at Any Speed"? 6) _____
A) Alan Greenspan B) Esther Peterson
C) Ralph Nader D) Upton Sinclair

Answer: C

Topic: 1960s

- 7) _____ biologist and author of *Silent Spring*, is the founder of the modern environmental movement. 7) _____
A) Rachel Carson B) Christine Frederick
C) Pauline Erlich D) John Kenneth Galbraith

Answer: B

Topic: 1960s

- 8) Currently, the richest man in the United States is 8) _____
A) Donald Trump. B) Bill Gates.
C) Sam Walton. D) Michael Jackson.

Answer: B
Topic: 1990s

- 9) Bricks and clicks means 9) _____
A) money in the bank with an online accessibility.
B) a physical and an online store.
C) an online store that sells bricks.
D) a house made out of bricks and a door that clicks.

Answer: B
Topic: 1990s

- 10) Who wrote *The Jungle*? 10) _____
A) Upton Sinclair B) Alan Greenspan
C) Esther Peterson D) Ralph Nader

Answer: A
Topic: Historical Perspective

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 11) Conspicuous consumption occurs when someone pays an extremely low price for a product for its prestige value, leading to a much higher demand than a simple price-demand relationship would indicate. 11) _____

Answer: True False
Topic: Introduction (an extremely high price)

- 12) A person acting in his/her own rational self interest is selfish. 12) _____

Answer: True False
Topic: Introduction

- 13) The consumer movement refers to policies aimed at regulating products, services, methods, and standards of manufacture, selling, and advertising in the interests of the buyer. 13) _____

Answer: True False
Topic: Consumerism and the Consumer Movement Defined

- 14) Harvey Wiley's work paved the way for the Pure Food and Drug Act of 1906. 14) _____

Answer: True False
Topic: 1900s

- 15) Antitrust laws promote monopolies. 15) _____

Answer: True False
Topic: Historical Perspective (they prevent them)

- 16) Carter is considered a weak pro-consumer president. 16) _____

Answer: True False
Topic: 1970s (he was a STRONG pro-consumer president.)

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

17) The first federal law specifically enacted to protect consumers was the _____ 17) _____

Answer: Pure Food and Drugs Act of 1906

Topic: Historical Perspective

18) President Clinton signed _____ which had a large impact on trade and employment in certain industries, as well as an impact on prices. 18) _____

Answer: NAFTA

Topic: 1990s

19) The turn of the 19–20th century was a time of great promise called _____. 19) _____

Answer: The "Gilded Age"

Topic: 1880–1900

20) The father of the modern consumer movement was _____. 20) _____

Answer: Harvey Wiley

Topic: 1900s

21) An order to a business calling to cease "unfair or deceptive acts or practices" is called a _____. 21) _____

Answer: Cease and desist order

Topic: 1910s

22) What was the Poison Squad? 22) _____

Answer: In 1902, in order to test food additives, Harvey Wiley set up a group called the "Poison Squad." The squad was made up of healthy young adults, mostly college students, who ate unadulterated food and also ate the same diet with food additives over a five–year period. He compared their weight and physical condition and found that preservatives readministered continuously in small doses negatively affected their digestion, appetite, and general health. Wiley's efforts led to the regulation of food additives.

Topic: Historical Perspective

23) What were the rights in Kennedy's Consumer Bill of Rights? 23) _____

Answer: 1. The right to safety: to be protected from hazards to health to life.
2. The right to be heard: to be protected from fraud, deceit, or grossly misleading information including advertising and labeling.
3. The right to choose: to have access to a variety of products and services at competitive prices.
4. The right to information: to be assured of fair and expeditious treatment from government and in policy formation.

Topic: 1960s

24) What is the Consumers Union Web Watch? 24) _____

Answer: Consumers Union launched Consumer Web Watch. It is a project to help make web sites more accountable for the accuracy of their information. The site provided news alerts for web–savvy consumers and research results.

Topic: 2000s