

FINAL EXAM

Answer **any four (4)** of these five questions (A) - (E). (A.) _____
Do not answer all five. Each written question counts for (B.) _____
19% of the exam. Explain your answer using relevant facts. (C.) _____
(D.) _____
(E.) _____
mc@2 _____
Total _____
DLG _____

(A.) Between 1870 and 1940, explain whether the net effect of new (state and federal) laws and new government interventions was to increase (worsen) or to decrease discrimination against each of these groups:

(A.1 = 5%) African-Americans.

(A.2 = 5%) Asians wanting to migrate to the United States.

(A.3 = 4%) Europeans wanting to migrate to the United States.

(A.4 = 5%) Farmers.

(B.) Describe and explain the progress, or non-progress, made on each of these three fronts since the 1950s. If there was progress on only part of this fifty-year span, when did that happen? In each case, be sure to explain what promoted progress, or held it back, or reversed it.

(B.1 = 7%) Progress toward a more equal distribution of income among all households.

(B.2 = 6%) Progress toward higher relative pay for working women.

(B.3 = 6%) Progress toward higher relative pay for African-Americans.

(C.) (C.1 = 6%) Identify three time periods since 1865 that stock market prices (and the P/E price earnings ratio) dropped sharply.

(C.2 = 6%) In which of these three cases was the stock drop followed immediately by a depression of the real economy, with declining output and jobs?

(C.3 = 7%) How do you explain the effects or non-effects of the stock market on the real economy in these cases?

(D.) Do women owe their 20th-century progress in relative education and relative pay to the government (and lawmakers)? If the government had done nothing about the relative education of men and women, would women have progressed just as fast in getting college degrees and in getting more equal wages?

In the process of supporting your general verdict, discuss at least two (2) specific government policies or laws in the 20th century that affected the relative progress of women in education and pay. Be sure to make clear what was done, when it was done, and how it affected women and men differentially.

(E.) Three basic approaches to supplying primary and secondary education are (1) leave it to private markets, with parents paying for their children's private education; (2) leave it to large government units (national, state) to pay for the schools and run them; and (3) leave it to smaller local governments to pay for the schools and to run them.

Which approach did America use before, say, 1960? What has been the trend since 1960? Which approaches worked well and which worked badly in America, both before 1960 and since then? Explain.

MULTIPLE CHOICE QUESTIONS

Answer all 12 questions for 2 percent each = 24 percent overall.

- (1) Who was made worse-off by the “Crime of ‘73”?
- (a) Gold miners.
 - (b) Silver miners.
 - (c) Crude oil importers.
 - (d) Crude oil exporters.
 - (e) creditors.
- (2) Which of the following will **not** result in an increase in inequality?
- (a) Decreasing wages for high-skilled workers relative to low-skilled workers.
 - (b) Increasing demand for high-skilled workers.
 - (c) Decreasing demand for low-skilled workers.
 - (d) Increasing supply of low-skilled workers.
 - (e) Decreasing supply of high-skilled workers.
- (3) In the 1990s, the female-to-male ratio of hourly earnings was **lowest** in which of the following countries?
- (a) Japan
 - (b) Sweden
 - (c) Switzerland
 - (d) United Kingdom
 - (e) United States
- (4) Which of the following does **not** describe the international standing of U.S. education around 1999?
- (a) Expenditures on public primary and secondary education, as a percent of GDP, are about at the median.
 - (b) Hourly teacher pay, as a percent of GDP per person, is near the bottom.
 - (c) Annual teaching hours per teacher are among the highest.
 - (d) The share of adults who finish college is about at the median.
 - (e) The average of 15-year-olds’ three PISA test scores is below the top 10 countries.
- (5) Since 1980, which of the following has increased the most rapidly in the U.S.?
- (a) The share of income going to those in the bottom fifth of the income distribution.
 - (b) The share of income going to those in the middle fifth of the income distribution.
 - (c) The share of income going to those in the 80th-90th income.
 - (d) The share of income going to those in the 90th-99th percentiles.
 - (e) The share of income going to those in the top 1% of the income distribution.

- (6) Which of the following did not contribute to the increase in the share of employed women in white-collar jobs in the 1920s?
- (a) Larger firm sizes.
 - (b) Office mechanization.
 - (c) Increases in the number of high schools.
 - (d) Greater division of labor.
 - (e) Marriage bars.
- (7) In the historical experience from the late nineteenth century to 2000, any year in which the stock market had a high price/earnings (P/E) ratio (say, a ratio of 25 or more) was followed by
- (a) zero or negative returns over the next ten years.
 - (b) higher than average returns over the next ten years.
 - (c) zero or negative returns over the next 30 years.
 - (b) higher than average returns over the next 30 years.
 - (c) the same kind of performance that following years of low P/E ratios.
- (8) A period in which black male incomes (and black family incomes) failed to move closer to white income levels was
- (a) during World War II.
 - (b) 1945-1965.
 - (c) 1965-1975.
 - (d) the 1980s.
 - (e) the 1990s.
- (9) Between 1980 and 1995, workers' real wages, as measured in terms of their ability to buy consumer goods,
- (a) fell.
 - (b) did not change.
 - (c) rose, but more slowly than their real production wages (marginal product, as seen by employers).
 - (d) rose at the same rate as their real production wages.
 - (e) rose faster than their real production wages.
- (10) Which of these indicators declined across the 1920s?
- (a) The share of young adults with high school educations.
 - (b) Income inequality.
 - (c) Union membership as a share of the labor force.
 - (d) Average real wages.
 - (e) Real interest rates.

(11) In which of these years were America's adult immigrants older, on the average, than other American adults?

- (a) 1900.
- (b) 1925.
- (c) 1950.
- (d) 1990.
- (e) 2000.

(12) Which of these had already turned down in the late 1920s before 1929, helping to explain why the 1929-1930 onset of the Great Depression was so severe?

- (a) businesses' real investments (new equipment, new factories).
- (b) housing construction.
- (c) demand for automobiles.
- (d) government aid to farmers.
- (e) foreign demand for U.S. exports.