



## Exam: American Economic History

**Duration: 3 Hours**

### PART I

#### Part 1: Questions

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##### Section A: Foundations and Transformations

1. Describe the impact of the Market Revolution on the American economy in the early 19th century.
2. Explain the economic activities prevalent in the Southern, Middle, and New England colonies and their influence on the colonies' development.
3. Discuss the main economic consequences of the Great Depression in the United States.
4. Identify and analyze the factors contributing to the post-WWII economic boom in the United States.
5. Choose the correct option regarding the economic transformations during the Great Depression according to the provided statements and readings:
  - What was the unemployment rate during the Great Depression?
  - How did people cope with the lack of money during the Great Depression?

##### Section B: Contemporary Issues

6. Analyze the impact of globalization on the American economy with emphasis on both opportunities and challenges.
7. Discuss the rise of the Gig economy and its influence on traditional employment structures.
8. Evaluate the effects of digital transformation on business practices and labor markets in the 21st century.
9. Multiple Choice Questions:
  - What has been the major concern regarding the fairness of gains from globalization in the United States?
  - Which approach should policies focus on to address the impacts of globalization on workers and communities?

#### Part 2: Answers

##### Section A: Foundations and Transformations

1. **Market Revolution Impact:** The Market Revolution marked a significant economic shift from agrarian to industrial and commercial economies, featuring technological advancements like steam power, which changed production, transportation, and consumption patterns.
2. **Economic Activities in Colonies:**
  - **Southern Colonies:** Agriculture dominated, with crops like tobacco and rice driving economic activities due to favorable weather.
  - **Middle Colonies:** Mixed agriculture and commerce, with small farms and significant trade.
  - **New England Colonies:** Less favorable for agriculture but prominent in trade and manufacturing due to harsher climate.
3. **Great Depression Consequences:** Economic hardship, high unemployment rates, widespread poverty, and a significant decline in industrial production following the 1929 stock market crash.
4. **Post-WWII Economic Boom:** Factors included economic stimuli from WWII spending, a surge in consumer demand for automobiles and housing, and increased defense spending during the Cold War.
5. **Great Depression Transformations:**
  - Unemployment rate: Over 25 percent.
  - Coping mechanisms: Bartering and trading goods like eggs or pigs due to lack of money.

## Section B: Contemporary Issues

6. **Globalization Impact:** While it has led to increased prosperity and interconnected markets, it has also caused job displacement and economic inequalities.
7. **Gig Economy Influence:** Offers flexibility and autonomy, transforming traditional employment through digital platforms, affecting sectors like transportation (Uber, Lyft) and accommodation (Airbnb).
8. **Digital Transformation Effects:** Significant changes in how businesses operate, promoting new methods of commerce and altering labor markets.
9. **Multiple Choice Answers:**
  - Major concern: Wage inequality.
  - Policy focus: Redistribute gains from growth and increase workforce productivity.

## Exam: Transformations in American Economic History

Duration: 3 Hours

### Part 1: Questions

## Section A: Historical Economic Foundations

1. Discuss the role of agriculture in the economic development of the early American colonies. How did geographic and climatic conditions influence agricultural practices?
2. Examine the causes and effects of the Industrial Revolution on the U.S. economy.
3. Detail the economic changes that occurred during the Market Revolution. What were the primary industries affected?
4. Evaluate the economic policies implemented during the Great Depression. Which policies were successful, and why?
5. **Essay Question:** Analyze the economic impact of WWII on the American economy. Focus on industrial growth and labor dynamics.

## Section B: Modern Economic Challenges and Globalization

6. What are the main economic impacts of globalization on American manufacturing industries?
7. Discuss the role of technology in shaping the contemporary American economy. Which sectors have been most affected?
8. Identify the challenges and benefits of the Gig economy for American workers.
9. **Multiple Choice Questions:**
  - What percentage of the US annual GDP, according to estimates, has globalization contributed to?
  - What has been a significant result of the digital transformation on American businesses?

## Part 2: Answers

### Section A: Historical Economic Foundations

1. **Agriculture's Role:**
  - **Southern Colonies:** Relied heavily on cash crops like tobacco and rice, suited to their warm climate.
  - **Northern Colonies:** Focused on subsistence farming due to colder climate, supplemented by fishing and timber.
2. **Industrial Revolution Effects:**
  - Triggered significant shifts from agrarian to industrial sectors, enhancing productivity and urbanization.
  - Led to the rise of factory systems and significant labor migrations.
3. **Market Revolution Changes:**

- Transformation towards mechanized production and enhanced transportation (canals, railroads).
- Textiles, iron, and coal industries were primarily affected, fostering economic expansion.

#### 4. Great Depression Policies:

- New Deal programs like Social Security and public works projects helped alleviate economic stress.
- Banking reforms stabilized the financial sector.

#### 5. WWII Economic Impact:

- Increased demand for military supplies boosted manufacturing sectors.
- Created numerous jobs, reducing the unemployment rate drastically and leading to significant social changes, including women entering the workforce.

### Section B: Modern Economic Challenges and Globalization

#### 6. Globalization Impacts:

- Led to offshoring of manufacturing jobs but also stimulated technology and service industries.

#### 7. Technology's Role:

- Has significantly transformed sectors such as retail (e-commerce), finance (fintech), and communication (telecommunications).

#### 8. Gig Economy Insights:

- Provides flexibility and independence for workers but also poses issues like lack of job security and benefits.

#### 9. Multiple Choice Answers:

- Contribution to GDP: 11%–19%.
- Digital Transformation: Increased efficiency and opened new markets but also intensified competition and required new skills.

### Multiple Choice Questions (MCQs)

#### Foundations of American Economics

1. What was a major crop in the Southern colonies that contributed to its economic development?
  - A) Wheat
  - B) Tobacco
  - C) Corn

- D) Cotton
2. Which colony was known for its merchant communities and trade?
    - A) Virginia
    - B) New York
    - C) South Carolina
    - D) Massachusetts
  3. What characterized the Market Revolution in early America?
    - A) Decrease in industrial activity
    - B) Shift to agrarian economies
    - C) Increased mechanization and market expansion
    - D) Stagnation of technological advancements
  4. During which century did the Market Revolution take place?
    - A) 17th
    - B) 18th
    - C) 19th
    - D) 20th
  5. What was the primary effect of the steam power introduction during the Industrial Revolution?
    - A) Decline in transportation development
    - B) Increased agricultural output
    - C) Growth of American industry and transportation
    - D) Reduction of urbanization

### **Economic Transformations in American History**

6. What triggered the Great Depression in the United States?
  - A) Agricultural surplus
  - B) Stock market crash
  - C) Decline in technology industries
  - D) Increase in consumer spending
7. What was the unemployment rate during the Great Depression?
  - A) About 10%
  - B) Over 25%
  - C) Less than 5%

- D) Nearly 50%

8. What best describes the economic condition of the U.S. during the Great Depression?

- A) Rapid economic growth
- B) Time of great prosperity
- C) Significant economic downturn
- D) Stability and low unemployment

9. What era followed immediately after WWII in the United States?

- A) The Great Depression
- B) Economic stagnation
- C) Post-War Prosperity
- D) Industrial decline

10. The post-WWII economic boom in the U.S. is also known as:

- A) The Great Stagnation
- B) The Golden Age of Capitalism
- C) The Silver Economic Era
- D) The Bronze Age of Economics

### Contemporary Issues in American Economic History

11. What has been a major concern regarding the fairness of globalization gains in the United States?

- A) Trade deficits
- B) Wage inequality
- C) Budget deficits
- D) Environmental impact

12. Which of the following has had a greater impact on wage inequality and unemployment?

- A) Globalization
- B) Technological change
- C) Health care reforms
- D) Immigration policies

13. What is one of the suggested focuses for policies to address impacts of globalization?

- A) Decreasing technological advancements

- B) Cutting down on education funding
- C) Redistributing gains from economic growth
- D) Increasing trade barriers

14. How has the digital transformation primarily impacted American businesses?

- A) Decreased efficiency
- B) Reduced market access
- C) Increased global competition
- D) Enhanced manual processes

15. What characterizes the Gig economy?

- A) Long-term employment stability
- B) Predominance of full-time contracts
- C) Flexibility and short-term contracts
- D) Government-run employment agencies

### General Economic History

16. Which region in the early American colonies focused more on subsistence farming?

- A) Southern Colonies
- B) Middle Colonies
- C) New England Colonies
- D) Western Territories

17. What was a common method to cope with the lack of money during the Great Depression?

- A) Use of credit cards
- B) Borrowing from international banks
- C) Bartering and trading goods
- D) Digital currency transactions

18. Which of the following was a major industry affected during the Market Revolution?

- A) Information technology
- B) Textiles
- C) Renewable energy
- D) Space exploration

19. What facilitated the economic expansion in the post-WWII era?

- A) Decrease in automobile production
- B) Rise in housing demands
- C) Reduction in defense spending
- D) Decline in middle-class needs

### Foundations of American Economics

What was a major crop in the Southern colonies that contributed to its economic development?

B) Tobacco

Which colony was known for its merchant communities and trade?

D) Massachusetts

What characterized the Market Revolution in early America?

C) Increased mechanization and market expansion

During which century did the Market Revolution take place?

C) 19th

What was the primary effect of the steam power introduction during the Industrial Revolution?

C) Growth of American industry and transportation

### Economic Transformations in American History

What triggered the Great Depression in the United States?

B) Stock market crash

What was the unemployment rate during the Great Depression?

B) Over 25%

What best describes the economic condition of the U.S. during the Great Depression?

C) Significant economic downturn

What era followed immediately after WWII in the United States?

C) Post-War Prosperity

The post-WWII economic boom in the U.S. is also known as:

B) The Golden Age of Capitalism

### Contemporary Issues in American Economic History

What has been a major concern regarding the fairness of globalization gains in the United States?

B) Wage inequality



Which of the following has had a greater impact on wage inequality and unemployment?

B) Technological change

What is one of the suggested focuses for policies to address impacts of globalization?

C) Redistributing gains from economic growth

How has the digital transformation primarily impacted American businesses?

C) Increased global competition

What characterizes the Gig economy?

C) Flexibility and short-term contracts

General Economic History

Which region in the early American colonies focused more on subsistence farming?

C) New England Colonies

What was a common method to cope with the lack of money during the Great Depression?

C) Bartering and trading goods

Which of the following was a major industry affected during the Market Revolution?

B) Textiles

What facilitated the economic expansion in the post-WWII era?

B) Rise in housing demands