Final Examination
Railroads and American Politics, Spring Semester 2017

1. In Colonial America, under an environment of almost unlimited resources, representative democracy evolved with ..... 
   a. Capitalism 
   b. Communism 
   c. Conservativism

2. How are shocks in the form of new technologies in the economic system related to shocks in the political system? 
   a. Shocks in the economic system cause shocks in the political system. 
   b. Shocks in the political system cause shocks in the economic system. 
   c. The causal arrow goes both ways: Political shocks affect the economic system and economic shocks affect political system.

3. Opening 27 September 1825, the first true railroad was located where? 
   a. Scotland 
   b. South Carolina 
   c. England

4. In 1854, how many railroad lines served Chicago? 
   a. 1 
   b. 11 
   c. 21

5. By 1860, which states replaced Pennsylvania, New York and Ohio to become the leading wheat growing states? 
   a. Illinois, Indiana, and Wisconsin 
   b. Illinois, Indiana, and Missouri 
   c. Indiana, Michigan, and Wisconsin

6. Along with private property rights, which other unique characteristics of the United States led to tremendous rewards for creative entrepreneurs and inventors? 
   a. Government regulation and isolation from Europe 
   b. Limited government and isolation from Europe 
   c. Low interest loans and Limited government

7. What was required to run a mountain railroad, like the Pennsylvania Railroad? 
   a. Less trains 
   b. Andrew Carnegie
8. After retirement, Andrew Carnegie devoted his life to
   a. Family
   b. Philanthropy
   c. Minimizing the influence of Unions

9. In 1855, it cost $.3 million to run New England textile mill complexes. By contrast, how much did it cost to run the Pennsylvania Railroad?
   a. $20 million
   b. $5 million
   c. $2 million

10. The Trunk Line Railroads were huge businesses which were notoriously complex to run. How did they overcome these difficulties?
    a. The Railroad workers formed Unions
    b. Complex organizational structures evolved to handle them
    c. They bribed government officials for lower taxes.

11. The Railroads tended to set prices in relation to cost rather than demand because:
    a. They were nefarious greedy capitalists.
    b. They had high fixed costs.
    c. Andrew Carnegie came up with the idea.

12. Value based Pricing is an example of:
    a. Discrimination against types of traffic
    b. Discrimination against Places
    c. Discrimination against Persons

13. Henry Flagler was:
    a. A famous baseball player in the 1880s.
    b. John D. Rockefeller’s partner
    c. President of the Bank of California

14. Equity Receivership
    a. Was used to reorganize bankrupt railroads
    b. Was used to pay larger dividends on stock
    c. Was a law passed in Congress in 1873

15. What people believe is true
    a. Is true
    b. Is repeated back to them by politicians
    c. Is the basis of science