

Name: \_\_\_\_\_

**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

- c. Higher Operating Costs
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