



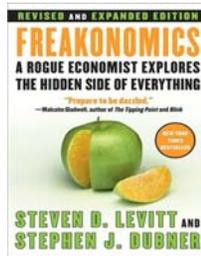
## FINAL EXAM

### Course # 571007 Freakonomics

based on the book:

#### **Freakonomics**

by: Steven D. Levitt & Stephen J. Dubner ( 2008 )



12 CPE Credit Hours  
Communication & Sales

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*This exam sheet is made available for your convenience in answering questions while offline. Please note that you will still need to enter your answers on the online exam sheet for grading. Instructions are provided at the end of this document.*

## Chapter 1 - Introduction: The Hidden Side of Everything

1. The cause of the rise in crime in the early 1990s was:

black plague

superpredator

the destroyer of human kind

the cause of economic depression

2. What was the name of the criminologist that predicted optimistically, crime would increase by 15% over the next decade and, pessimistically would more than double?

James Alan Fox

Fox James

Alan James

None of the above

3. Who was the defendant in a class action lawsuit seeking to legalize abortion in 1970?

James Smith

Jane Roe

Henry Wade

Jane Smith

4. McCorvey's name was disguised as:

Jane Doe

Jane Roe

Jane Smith

Jane Adams

5. The founder of classical economics was:

Adam Smith

John Smith

Williams Adams

Adam Williams

6. After a fine was enacted for picking up children late from a daycare center in Haifa, Israel, the number of late pickups:

was reduced drastically

stayed the same

went up

decreased by more than half

7. What was the name of the standardized, multiple choice exam where every student in the third, sixth and eighth grade had to manage a minimum score in order to be promoted?

Idaho test of Basic Skills

Iowa Test of Basic Skills

Illinois Test of Basic Skills

Indiana Test of Basic Skills

8. High stakes testing was part of which law mandated by the federal government signed by President Bush in 2002.

High Stakes Testing Law

No Child Left Behind Law

A combination of A and B

None of those above listed

9. Who was the CEO of the Chicago Public Schools who wanted to make sure that the teachers identified by the algorithm as cheaters were truly

cheating -- and then did something about it by commissioning a retesting of the study.

Steven J. Levitt

Arne Duncan

Steven J. Dubner

Ron Jirsa

10. Data suggests that both sumo wrestlers and their stables may be rigging matches.

True

False

11. A key fact of white collar crime is that we hear about only a very slim fraction of people who are caught cheating. Most embezzlers lead quiet and theoretically happy lives; employees who steal company property are rarely detected.

True

False

## Chapter 2 - What do SchoolTeachers and SumoWrestlers have in common?

12. If the Klan itself was defeated, however, its aims had largely been achieved through the establishment of \_\_\_\_\_ laws

Jim Crow Laws

Jack Crow Laws

Jake Crow Laws

Jacob Crow Laws

13. Atlanta- the Imperial City of the KKK's Invisible Empire, in Klan jargon- was also home to \_\_\_\_\_, a thirty year old man with the bloodlines of a Klansman but a temperament that ran opposite.

Steven Kennedy

John Kennedy

Stetson Kennnedy

James Kennedy

14. According to the author, the following is a true statement:

Many experts use their information to your detriment.

Experts depend on the fact that you don't have the information they have.

Experts depend on the fact that you are so in awe of their expertise that you wouldn't dare challenge them.

All of the above

15. A big part of the real estate agent's job, it would seem, is to persuade the homeowner to sell for less than he would like while at the same time letting potential buyers know that a house can be bought for less than its listing price.

True

False

16. In the real estate market, the term "Corian" is correlated to a higher sales price.

True

False

17. An analysis of 160 episodes of the show The Weakest Link suggests that Hispanics suffer which type of discrimination?

Taste based discrimination

Circle discrimination

Information based discrimination

None of the above

## Agents?

18. What was the name of the gang that was the basis of S. Venkatesh's report on Chicago's poorest black neighborhoods?

The Black Disciples

Black Guerilla Family

The Mungiki

Crips

19. Who was the gang member who gave S. Venkatesh the gang's financial books?

DeShawn

Jake

Booty

J.T.

20. If drug dealers make so much money, why are they still living with their mothers?

They don't make much money

To keep the house clean

So they don't look suspicious to others in the community

They don't want to spend money for an expense which they can get free from mom

21. According to the Bureau of Labor Statistics, the most dangerous job in the United States is :

a fireman

a policeman

a crabcatcher

a timber cutter

22. The problem with crack dealing is the same as every other profession:

a lot of people are competing for very few prizes

taxes and expenses are too high to manage

a poor economy and a competitive job market

none of the above

23. One of the few ways a foot soldier could distinguish himself- and advance in the tournament- was by

proving his mettle in making the most sales

proving his mettle for violence

proving his mettle for making the most number of followers

proving his mettle for gang politics

24. What is demonstrably true is that Oscar Danilo Bandon helped establish a link-between Colombian cocaine cartels and inner city crack merchants - that would alter American history. By putting massive amounts of cocaine into the hands of street gangs, Bandon and others like him gave rise into a devastating crack boom. And the gangs like Black Gangster Disciple Nation were given new reason to exist.

True

False

25. While crack was hardly a black-only phenomenon, it hit black neighborhoods much harder than most. The evidence can be seen by measuring the indicators of societal progress. After decades of decline , black infant mortality began to soar in the 1980's, as did the rate of low birth weight babies and parent abandonment.

True

False

#### **Chapter 4 - Why do drug dealers still live with their moms?**

26. Madame Ceausescu was known officially as :

Best Sister Romania Could Have

Best Mother Romania Could Have

Best Protector Romania Could Have

Best Daughter Romania Could Have

27. Ceausescu's incentives produced the desired effect. Within one year from the abortion ban, the Romanian birth rate had doubled. These babies were born into a country where, unless you belonged to the Ceausescu clan or the Communist elite, life was miserable.

True

False

28. The evidence linking increased punishment with lower crime rates is very strong. Harsh prison terms have been shown to act as deterrent (for the would be criminal on the street) and the prophylactic (for the would be criminal who is already locked up)

True

False

29. The broken window theory was conceived by criminologists:

James Q. Wilson & George Kelling

James Kelling and George Q. Wilson

James George & Wilson Q. Kelling

Wilson George and James Kelling

30. There are enough guns in the United States that if you gave one to every adult, you would run out of adults before you ran out of guns.

True

False

31. Who was the economist and main champion of this idea: "We need more guns on the street, but in the hands of the right people."

John R. Lott, Sr.

Steven Levitt

John R. Lott, Jr.

Steven Dubner

32. The aging of the American population contributed to the reduction of crime.

True

False

33. According to the author, what sort of woman would most likely take advantage of Roe vs. Wade?

Unmarried

in her teens

Poor

All of the above

34. Which two factors show the strongest predictors that a child will have a criminal future?

childhood poverty and childhood abuse

childhood poverty and single parent household

Single parent household and childhood abuse

childhood poverty and alcoholic household

35. What a link between abortion and crime does say is this: when the government gives a woman the opportunity to make her own decision about abortion, she generally does a good job of figuring out if she is in a position to raise the baby well. If she decides she can't, she often chooses abortion.

True

False

## Chapter 5 - Where have all the criminals gone?

36. A swimming pool is less frightening than a gun.

True

False

37. Student who entered a technical school or career academy performed substantially better than they did in their old academic settings and graduated at much higher rate than their past performance would have predicted.

True

False

38. Which monumental project did the US Department of Education undertake in the late 1990's?

Black-White Test Score Gap

Chicago Public School System

Early Childhood Longitudinal Study

High stress testing

39. The school typically attended by the typical black child is not the same school attended by the typical white child, and the typical black child goes to a school that is simply:

good

bad

no distinction

none of the above

40. There is essentially no black white test score gap within a bad school in early years once you control for student's backgrounds. But all students in a bad school, black and white, do lose ground to students in good schools.

True

False

41. Studies have shown that a child's academic abilities are far more influenced by the I.Q.'s of his biological parents than the I.Q.'s of his adoptive parents, and mothers who offer up their children for adoption tend to have significantly lower I.Q.s than the people who are doing the adopting.

True

False

42. In a paper entitled, " The Nature and Nurture of Economic Outcomes," economist Bruce Sacerdote found that by the time adopted children become adults, they had veered sharply from the destiny that IQ alone might have predicted.

True

False

## Chapter 6 - What makes a perfect parent?

43. The first official act a parent commits is :

give the baby a name

give the baby a christening

give the baby a trust fund

give the baby a baby shower

44. According to Fryer's study, what were the top 2 "whitest" girl names:

Molly & Amy

Claire & Emily

Katie & Madeline

Hannah & Kathryn

45. According to Fryer's study, what were the top 2 "blackest" girl names:

Precious & Nia

Jada & Tierra

Imani and Ebony

Alexis & Raven

46. According to Fryer's study, what were the top 2 "whitest" boy names:

Tanner and Wyatt

Jake & Connor

Cole and Lucas

Garrett and Dylan

47. According to Fryer's study, what were the top 2 "blackest" boy names:

Willie & Dominique

Jaren & Darius

Andre & Darryl

DeShawn & Andre

48. Using \_\_\_\_\_ to control for other factors that might influence life trajectories, it was then possible to measure the impact of a single factor - in this case a woman's first name -- on her educational, income and health outcomes.

regression analysis

nonlinear regression

nonparametric regression

Bayesian methods for regression

49. According to Fryer's study, what were the top 2 most common middle-

income white girl names:

Amanda & Megan

Sarah & Emily

Elizabeth & Katherine

Danielle & Rebecca

50. According to Fryer's study, what were the top 2 most common low-income white girl names:

Courtney & Rebecca

Emily & Nicole

Ashley & Jessica

Megan & Taylor

51. Parents are reluctant to poach a name from someone too near -- family members or close friends--but many parents, whether they realize it or not, like the sound of names that sound "successful."

True

False

52. What the California data names suggest is that an overwhelming number of parents use a name to signal their expectations of how successful their children will be. The name isn't likely to make a shard of difference. But the parents can at least feel better knowing that from the outset, they tried their best.

True

False

## Chapter 7 - Perfect Parenting, Part II

53. In Levitt's view, economics is a science with excellent tools for gaining answers but a serious shortage of interesting questions. His particular gift is to ask such questions.

True

False

54. What is the famous unifying theme of the economics department of the University of Chicago?

The Gospel of Free Economics

The Gospel of Free Markets

The Gospel of Research and Writing

The Gospel of Correlation

55. According to Levitt, who was the most influential economist of the last fifty years?

Gary Becker

D. Gale Johnson

Len Bias

Seth Roberts

56. Who was the NBA first round draft pick and cocaine user whose death in 1986 caused Congress to pass legislation requiring a five year mandatory sentence for selling just five gram of crack.

Brad Daugherty

Chris Washburn

Len Bias

Chuck Person

57. Who is the psychology professor who started a lifetime of self-experimentation?

Robert Rosenthal

Seth Roberts

Casey Mulligan

Charles Hunter

58. What was the name of the 1976 law enacted in New York that fined \$50 for failing to pick up after your dog?

pooper law

scooper law

pooper-scooper law

pick up after your dog law

59. The most fundamental rule of economics is that a rise in price leads to less quantity demanded.

True

False

60. "The IRS role is to help the large majority of compliant tax payers with the tax law, while ensuring that the minority who are unwilling to comply pay their fair share."

True

False

## Chapter 8 - Epilogue

## Chapter 9 - Bonus Material Added to the Revised and Expanded 2006 Edition

## Chapter 10 - Notes

### Instructions for Submitting Answers Online:

- Sign In at [www.ApexCPE.com](http://www.ApexCPE.com)
- Click the "My CPE" tab at the top of the page.
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