

Chapter 15 - Domestic Policy

1. Which of the following terms refers to a plan or course of action taken by the government to respond to a political issue or to enhance the social or political well-being of society?
 - a. Writ
 - b. Caucus
 - c. Subpoena
 - d. Arbitration
 - e. Policy

2. Which of the following best describes domestic policy?
 - a. Public policy concerning matters of foreign affairs
 - b. Public policy concerning issues within a national unit
 - c. Policy that primarily focuses on families and households
 - d. Policy that encompasses scientific inventions and innovations
 - e. Policy that primarily concerns domestic workers, such as maids and caregivers

3. Which of the following processes comprises the processes of getting an issue on the political agenda; formulating, adopting, and implementing a policy with regard to the issue; and then evaluating the results of the policy?
 - a. The agenda setting process
 - b. The policymaking process
 - c. The policy formulation process
 - d. The politicization process
 - e. The issue identification process

4. Which of the following best describes the second part of the first stage of the policymaking process?
 - a. It involves getting an issue on the political agenda to be addressed by Congress.
 - b. It involves developing proposed legislation.
 - c. It requires a consensus on what policy should be adopted.
 - d. It entails the formulation and adoption of specific plans for achieving a particular goal.
 - e. It involves congressional hearings and expert studies.

5. The second stage of the policymaking process involves what process that includes making specific plans for achieving a particular goal?
 - a. Formulation and adoption
 - b. Identification and evaluation
 - c. Evaluation and execution
 - d. Identification and formulation
 - e. Adoption and execution

6. Once Congress establishes a policy by enacting legislation, which branch takes the next action?
 - a. Legislative branch that enforces the new policy through its agencies
 - b. Executive branch that enforces the new policy through its agencies
 - c. Legislative branch that ensures the legislation is constitutional
 - d. Judicial branch that ensures the legislation is constitutional
 - e. Executive branch that evaluates the validity of the policy

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7. What does the final stage of policymaking involve?
- Evaluating the success of a policy
 - Implementing a policy
 - Getting an issue on the political agenda
 - Developing proposed legislation
 - Applying policy through local governments
8. When scholars and scientists conduct studies to determine whether a law has achieved the desired results, in what action are they engaging?
- Policy evaluation
 - Policy formulation
 - Policy adoption
 - Policy implementation
 - Policy identification
9. Every bill that passes through Congress affords an opportunity for individual members of Congress to take what action?
- Veto the bill
 - Lobby the president
 - Help constituents
 - Set the national economic policy
 - Solicit money from interest groups
10. The CARES Act of 2020
- extended unemployment benefits indefinitely.
 - provided each American with a \$300 one-time payment.
 - reduced aid for corporations.
 - slashed aid to state governments.
 - provided Paycheck Protection Plan loans for small businesses.
11. Which of the following is a true statement about the U.S. health care system?
- As of 2017, only five percent of national spending in the United States goes to health care.
 - The United States has the highest number of health care insurance policies in the world.
 - A problem associated with the health care system is the lack of health care insurance.
 - U.S. health care costs have been declining for years.
 - Health care is completely ignored by the federal government.
12. Steven is a cashier at a local retail store. He was recently diagnosed with diabetes and has begun treatment. His monthly income is low and is not enough to pay his medical bills. Steven's medical expenses are most likely to be covered by what program?
- CHIP
 - PeachCare
 - TRICARE
 - Medicaid
 - Medicare

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13. Sixty-two-year-old William is a retired employee. He stays in a nursing home facility with other retired persons. The nursing home mostly caters to low-income people. William's medical expenses are most likely to be covered by which program?

- a. CHIP
- b. PeachCare
- c. Medicaid
- d. TRICARE
- e. Medicare

14. Which of the following statements is true of Medicaid?

- a. Medicaid is restricted to covering the health-care insurance for Americans aged sixty-five years and over.
- b. Medicaid does not pay for nursing home expenses.
- c. Medicaid covers people with disabilities, irrespective of age or income.
- d. Recent cost-containment measures have slowed the growth of Medicaid spending.
- e. Medicaid is now the government's second-largest domestic spending program, after Social Security.

15. Silas is ten years old. His mother is a homemaker, and his father is a door-to-door salesman. Their family income is low. Silas is most likely to be covered by what program?

- a. The Children's Health Insurance Program
- b. TRICARE
- c. CHAMPUS
- d. The Family Wellness Scheme
- e. Medicare

16. Bradley is a seventy-year-old war veteran. He receives a hefty sum as pension from the government. Which of the following health-care insurance policies is he most likely to have?

- a. Medi-Cal
- b. Badger Care
- c. Medicaid
- d. Peach Care
- e. Medicare

17. Gerald is a retired businessman. At the age of seventy-two years, he is diagnosed with throat cancer. His medical expenses are most likely to be covered by which program?

- a. CHIP
- b. TRICARE
- c. Medicare
- d. Peach Care
- e. Medicaid

18. Which of the following statements is true of Medicare?

- a. Medicare pays for health-care services for low-income persons, irrespective of age.
- b. Medicare is now the government's second-largest domestic spending program, after Social Security.
- c. The Medicare program pays for nursing home expenses.
- d. The costs of Medicare are expected to decline over the next two decades with the retirement of baby boomers.

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- e. Medicare is an example of federal discretionary spending.
19. The costs of Medicare are expected to rise over the next two decades because of what circumstances?
- a. Population growth will outpace the growth in the job market.
 - b. Obama's stimulus packages will expire.
 - c. Population growth will outpace gross domestic product growth.
 - d. People are being brought into the health care system under Obamacare.
 - e. Millions of baby boomers will retire.
20. Which of the following is a true statement about an entitlement program?
- a. An entitlement program needs to be renewed every year only if Congress passes an annual funding measure.
 - b. Congress has direct control over how much an entitlement program will cost in any particular year.
 - c. It is impossible to estimate the costs of an entitlement program.
 - d. An entitlement program is invariably the same as a discretionary spending.
 - e. An entitlement program pays out benefits to persons who meet specified requirements.
21. Which of the following is a true statement about health insurance coverage?
- a. The national health insurance plan that the United States has adopted excludes the private sector.
 - b. The United States is the only economically advanced nation that provides universal health insurance coverage to its citizens.
 - c. The universal health insurance plan proposed by President Bill Clinton during his first term did not become law.
 - d. The national health insurance plans are mainly concentrated in the world's economically backward nations.
 - e. The United States is the first nation that provided universal health insurance coverage to its citizens.
22. What technique was adopted by Congress to fund the Affordable Care Act (ACA) program it had developed in 2009?
- a. An increased unemployment compensation rate
 - b. An increased Medicaid tax rate
 - c. A new tax on low-end health policies
 - d. A new tax on investments for Americans with a low income
 - e. An increased Medicare tax rate
23. Which of the following is a provision of the health-care bills passed by Congress and signed by President Obama?
- a. Health-care policies could only be purchased through licensed insurance brokers.
 - b. Insurance could be purchased through online insurance exchanges solely run by the federal government.
 - c. Subsidies would be provided to citizens only if they are covered by an employer's plan.
 - d. Subsidies would be granted to small employers that obtain insurance plans for their employees.
 - e. Young people could remain covered by their parents' insurance until they turned eighteen.
24. Why wasn't Congress able to fix certain parts of the Affordable Care Act (ACA) that did not work well?
- a. Urban liberals did not vote in support of the legislation.
 - b. The executive branch and its agencies were uninterested in evaluating the legislation.
 - c. Congress was unable to identify the underlying problems of the ACA.
 - d. Republicans in Congress were interested only in repealing the legislation.

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- e. Democrats in Congress were interested only in proposing and adopting new legislation.
25. What is the definition of a co-pay?
- a. The total amount of money the national government owes as a result of borrowing
 - b. The binding annual budgets for government agencies that the agencies cannot exceed
 - c. The sums of money granted by the federal government to help businesses maintain low prices
 - d. The consumer's share of the cost of an office visit or medication
 - e. The sum a consumer would have to pay before insurance kicked in
26. What term refers to the sum a consumer is required to pay before insurance kicks in?
- a. Quota
 - b. Subsidy
 - c. Filibuster
 - d. Deductible
 - e. Co-pay
27. How did the 2017 Republican health care proposal differ from the Affordable Care Act (ACA)?
- a. Taxes would be raised on wealthy Americans.
 - b. Republicans would have done away with public health care altogether.
 - c. The Republican plan garnered significant Democratic support.
 - d. The Republican proposal was substantially more generous than the ACA.
 - e. The Republican plan would phase out the expansion of Medicaid in the states that had adopted it.
28. The Republican replacement plan for the Affordable Care Act
- a. proposed abolishing Medicare.
 - b. proposed to increase state contributions toward Medicaid.
 - c. would have completely repealed ACA.
 - d. would have cost millions of Americans their insurance.
 - e. was backed by numerous Democrats.
29. Which of the following is a true statement about oil imports by the United States?
- a. The United States is not excessively dependent on unfriendly nations for oil imports.
 - b. The United States does not import oil from its neighbors.
 - c. The United States has very friendly ties with all the countries from which it imports oil.
 - d. The United States does not have diversified sources for its imported oil.
 - e. The United States gets most of its oil from foreign countries.
30. Observations collected by agencies such as the National Aeronautics and Space Administration suggest that during the last century, average global temperatures have changed in what way?
- a. They did not greatly vary.
 - b. They increased by about 1.0 degree Celsius.
 - c. They decreased significantly by about 3.4 degrees Celsius.
 - d. They increased by about 1.9 degrees Celsius.
 - e. They decreased by about 0.03 degree Celsius.

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31. What is the type of gas that, when released into the atmosphere, traps the sun's heat and slows its release into outer space?
- Noble gas
 - Inert gas
 - Greenhouse gas
 - Dielectric gas
 - Insulating gas
32. Most climatologists believe that the recent climate change is the result of human activities, especially the release of what type of gas?
- Noble gases.
 - Inert gases.
 - Greenhouse gases.
 - Dielectric gases.
 - Insulating gases.
33. Which of the following statements is true of energy sources in the United States?
- U.S. oil production, which rose sharply after 1985, began to decline again in 2009.
 - Low natural gas prices plus new air-pollution regulations have made coal uncompetitive as a source of electricity.
 - The United States is not in favor of using nuclear energy as it releases greenhouse gases.
 - The Obama administration approved the construction of the Keystone XL pipeline along the U.S. Gulf Coast.
 - Imports of natural gas are cost-effective as natural gas can be transported by ship efficiently.
34. Which of the following factors has helped make fracking a cost-effective process?
- Increased number of deepwater-drilling projects
 - Prohibition of offshore drilling
 - Increased number of fuel-efficient vehicles
 - Decreased supplies of petroleum
 - High prices of oil and gas
35. Which of the following statements is true of fracking?
- It has turned the United States into the number-one oil producer in the world as of 2014.
 - It greatly contributes to the release of greenhouse gases into the atmosphere.
 - It is a costly process owing to high prices of oil and gas.
 - It involves pumping a high-pressure mixture of iron and sulfur into oil-or gas-bearing underground rock.
 - It is commonly known as gas well dewatering.
36. Which of the following statements is true of nuclear energy?
- It releases greenhouse gases.
 - It is also known as hydropower.
 - It does not contribute to global warming.
 - It is a renewable source of energy.

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- e. It does not pose any threat.
37. Which of the following is a renewable source of energy?
- a. Nuclear fuel
 - b. Natural gas
 - c. Coal
 - d. Petroleum
 - e. Solar power
38. Which term is usually used to define two or more quarters of economic decline?
- a. Inflation
 - b. A recession
 - c. Expansion
 - d. An appreciation period
 - e. A boom period
39. Chad, a sales executive at Ochre Inc., was laid off after Ochre faced severe financial losses in the second and third quarters of 2014. The country witnessed an economic decline in the same year. As a result, Chad is now struggling to make ends meet with his limited savings. His debt has increased considerably, and he is finding it difficult to pay his household bills. This situation is an example of what economic situation?
- a. Inflation
 - b. An appreciation period
 - c. A recession
 - d. Disintermediation
 - e. A boom period
40. Jared works at a software firm. He is promoted to the post of senior engineer after three years of employment. Despite his promotion, he has to cut down on purchases as his cost of living has almost doubled within the same time period. This best represents which economic situation?
- a. Inflation
 - b. A recession
 - c. Deflation
 - d. Disintermediation
 - e. Deregulation
41. Monetary policy is under the control of:
- a. The Bureau of the Fiscal Services.
 - b. The Committee on Ways and Means.
 - c. The Federal Reserve System.
 - d. The Internal Revenue Service.
 - e. The Department of the Treasury.
42. Which independent regulatory agency was established by Congress as the nation's central banking system in 1913?
- a. Internal Revenue Service
 - b. Department of the Treasury

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- c. Federal Deposit Insurance Corporation
- d. Congressional Budget Office
- e. Federal Reserve System

43. Which of the following actions is most likely to be taken by the Federal Reserve System in periods of recession and high unemployment?

- a. Expanding the rate of growth of the money supply
- b. Causing interest rates to rise
- c. Inducing consumers to spend less and businesses to invest less
- d. Pursuing a tight-money policy
- e. Reducing the rate of growth in the amount of money in circulation

44. Which of the following actions is most likely to be taken by the Federal Reserve System in periods of rising inflation?

- a. Pursuing an easy-money policy
- b. Reducing interest rates
- c. Signing trade embargos
- d. Reducing the rate of growth in the amount of money in circulation
- e. Expanding the rate of growth of the money supply

45. The principle underlying fiscal policy states that when unemployment is rising and the economy is going into a recession, what should the fiscal policy be?

- a. Stimulate economic activity by decreasing taxes
- b. Curb economic activity by reducing government spending
- c. Let the forces of supply and demand operate on their own
- d. Employ a tight-money policy
- e. Reduce the rate of growth in the amount of money in circulation.

46. According to the principle underlying fiscal policy, during inflation, what should the fiscal policy be?

- a. Stimulate economic activity by decreasing taxes
- b. Curb economic activity by reducing government spending
- c. Let the forces of supply and demand operate on their own
- d. Expand the rate of growth of the money supply
- e. Use the easy-money policy

47. How is the government likely to raise money to pay its expenses?

- a. Through taxes levied on personal income
- b. By lending money at a fixed interest rate
- c. Through imports
- d. By adhering to the easy-money policy
- e. By lowering interest rates

48. Years ago, when Congress imposed very high tax rates on high incomes, it provided for more loopholes in the federal tax system. What were the economic implications of these loopholes?

- a. They brought the profits earned by government employees under the nontaxable bracket.

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- b. They enabled angel investors to invest directly in businesses.
 - c. They enabled investors in oil and gas wells to increase their taxable income.
 - d. They allowed interest groups to give soft money to political parties.
 - e. They enabled many wealthy individuals to decrease their tax bills significantly.
49. Which of the following is a true statement about the tax system in the United States?
- a. The Tax Reform Act of 1986 was intended to lower taxes and simplify the tax code, and it did just that for most taxpayers.
 - b. A few years after the Tax Reform Act of 1986 was passed, large federal deficits forced Congress to cut spending.
 - c. Those affected by the Tax Reform Act of 1986 lobbied Congress to legislate special exceptions so that the full impact of the tax rate increase would be felt by the wealthiest Americans.
 - d. Tax cuts occurred under the administrations of both George H. W. Bush (1989–1993) and Bill Clinton (1993–2001).
 - e. The tax rate for the highest income bracket decreased from 39.6 percent in 1986 to 28 percent in 1993.
50. When the U.S. government spends more than it receives, it typically finances the shortfall by selling IOUs. What term is used to describe this method of funding?
- a. Entitlements
 - b. Long-term loans
 - c. Credit vouchers
 - d. Treasuries
 - e. Interest investments
51. Which Department sells IOUs on behalf of the U.S. government?
- a. Department of Commerce
 - b. U.S. Treasury
 - c. Federal Reserve Board
 - d. U.S. Postal Service
 - e. U.S. Judiciary
52. What increases every time there is a federal government deficit?
- a. Consumer spending
 - b. Business investments
 - c. The value of the dollar
 - d. The rate of growth of the money supply
 - e. The total accumulated public debt
53. All outstanding public debt refers to the total value of all funds owed by what entity?
- a. Corporate borrowing
 - b. Local government borrowing alone
 - c. Federal government borrowing
 - d. Borrowing by the public
 - e. Borrowing by interest groups

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54. Which of the following statements is true of public debt?
- a. Public debt is also known as fiscal debt.
 - b. The net public debt includes sums that the government owes to itself.
 - c. The Department of Commerce sells IOUs on behalf of the U.S. government.
 - d. The interest on treasuries is paid by federal taxes.
 - e. The net public debt does not include funds held by the Federal Reserve System.
55. Which Act, passed in 2020, abolished Medicaid?
- a. The CARES Act
 - b. Patient Protection and Affordable Care Act
 - c. Clean Power Act
 - d. False Claims Act
 - e. Faire Claims Act
56. What should be done when unemployment is rising and the country is going into a recession?
- a. Decrease taxes and increase government spending
 - b. Increase unemployment benefits and decrease government spending
 - c. Decrease unemployment benefits and increase government spending
 - d. Issue stimulus payments and raise taxes
 - e. Issue stimulus payments and decrease government spending
57. Carbon dioxide is an example of which type of process?
- a. Climate change
 - b. Greenhouse gas emissions
 - c. Natural gas boom
 - d. Fracking
 - e. Nuclear energy
58. What is the term for the process of injecting oil-gas laden rock with water, sand, and chemicals?
- a. Tracking
 - b. Franking
 - c. Drilling
 - d. Fracking
 - e. Burnout
59. According to which economics theory, the American economy cannot independently recover from a Depression or Recession?
- a. Keynesian economic theory
 - b. Classical economic theory
 - c. Supply and Demand economics theory
 - d. Marxist economic theory
 - e. Laissez Faire economics theory
60. What is the type of income tax system used in the United States?

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- a. Progressive income tax
 - b. Regressive income tax
 - c. Indirect income tax
 - d. Value added income tax
 - e. Service income tax
61. Discuss the provisions of the CARES Act of 2020.
62. Describe the two problems associated with U.S. health care.
63. Describe the characteristics of entitlement programs. How are entitlements different from discretionary spending?
64. Discuss the major controversies surrounding climate change. Explain how climate change has impacted U.S. politics.
65. Discuss Keynesian economics
66. The 2020 CARES Act included funds to do what?
- a. Promote tourism
 - b. Deliver vaccines
 - c. Help those with student debt
 - d. Purchase and mandate nationwide mask usage
 - e. Develop clean energy
67. What program is a joint federal-state program that provides health care insurance for low-income children?
- a. Children's Health Insurance Program
 - b. Family Social Security Plan
 - c. Children's Quota Scheme
 - d. Family Wellness Scheme
 - e. Family Medical Plan
68. Which group saw the Affordable Care Act as a "big government takeover" of health care and a threat to popular freedoms?
- a. Liberals
 - b. Conservatives
 - c. Mercantilists
 - d. Symbolic interactionists
 - e. physicians
69. What was at the heart of much of the opposition by the Conservatives against the Affordable Care Act?
- a. Individual mandate
 - b. Clean Power Plan
 - c. Social Security program
 - d. Fracking revolution
 - e. Medicare expansion

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70. According to which group, under the Republican ACA replacement, would 24 million people eventually lose their insurance?
- a. Congressional Budget Office
 - b. Office of Management and Budget
 - c. Federal Reserve System
 - d. Social Security Administration
 - e. American Medical Association
71. Importing or exporting natural gas was thought to be costly because gas cannot be transported by ship efficiently unless it is converted to what type of gas?
- a. Nuclear fuel
 - b. Compressed natural gas
 - c. Liquefied natural gas
 - d. Hydroelectric energy
 - e. Fracking
72. Which of the following is a renewable source of energy?
- a. Nuclear fuel
 - b. Natural gas
 - c. Coal
 - d. Hydroelectric energy
 - e. Hydrogen
73. What type of policy involves changing the amount of money in circulation to affect interest rates, credit markets, the rate of inflation, the rate of economic growth, and the rate of unemployment?
- a. Monetary policy
 - b. Fiscal policy
 - c. Zero interest-rate policy
 - d. Keynesian policy
 - e. Classical economic theory
74. Advocates of which policy believe that the government should tie the value of the dollar to commodities such as gold?
- a. Fiscal-union policy
 - b. Hard-money policy
 - c. Tight-money policy
 - d. Easy-money policy
 - e. Keynesian-money policy
75. What economic theory does not support the idea that a nation can automatically recover from a disaster such as the Great Depression?
- a. Keynesian economics
 - b. the Tax Reform Act
 - c. Freudian psychoanalysis
 - d. the Federal Open Market Committee

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e. Classical economic policy