

Ten assessment options for “Beyond the economic textbook: Using popular nonfiction in the classroom”

Provide students with a rubric and/or clearly stated expectations for the assessment.

When to assign readings?

- Summer reading/Term break
- Course supplement
- Long-term project
- Incentive program
- Prerequisite/screening for admission to an advanced course

1. Economic way of thinking: Give students a copy of either of the lists below to use in this assessment. Students should go through their assigned nonfiction book and compile a list of citations (quotes and page numbers) that are examples of the economic truths in the list. Allow time to discuss student observations.

The Economic Way of Thinking (from the Council for Economic Education’s *Advanced Placement Teacher Resource Manual*, 3rd edition by John S. Morton.)

1. Everything has a cost.
2. People choose for good reasons.
3. Incentives matter.
4. People create economic systems to influence choices and incentives.
5. People gain from voluntary trade.
6. Economic thinking is marginal thinking.
7. The value of a good or service is affected by people’s choices.
8. Economic actions create secondary effects.
9. The test of a theory is its ability to predict correctly.

Gregory Mankiw’s 10 Principles of Economics

1. People face tradeoffs.
2. The cost of something is what you give up to get it.
3. Rational people think at the margin.
4. People respond to incentives.
5. Trade can make everyone better off.
6. Markets are usually a good way to organize economic activity.

7. Governments can sometimes improve market outcomes.
8. A country's standard of living depends on its ability to produce goods and services.
9. Prices rise when the government prints too much money.
10. Society faces a short-run tradeoff between inflation and unemployment.

2. Economic terms/Concepts: Give students a list of economic terms and concepts that occur in the chosen book. Students should compile a list of citations (quotes and page numbers) from the book that are examples of these economic terms. An alternative option would be to have students write one paragraph for three to five of the economic concepts that occur in the reading. The student should describe how the author illustrated the concept. Allow time to discuss student observations.

3. Real-world applications: Students should write a book review or expository essay highlighting the real-life applications the author used to introduce the reader to economic principles. The conclusion of the writing assignment should propose at least one unconventional or intriguing real-world issue the student would want to investigate using an economist's approach. Allow time to discuss student observations.

4. Blog entries on favorite/least favorite selections: Students should create blog posts highlighting selections from the reading that especially liked or disliked. Have students comment on at least one entry from each of their classmates. Students can create their own blogs using one of the following free sites: blogspot.com, wordpress.com, blog.weebly.com, or sosblog.com/en/create-your-blog. Allow time to discuss student observations. (If technology does not permit, you can facilitate classroom sharing with printed copies of student work.)

5. Tweets or status updates on favorite/least favorite selections: Create a class account on Twitter or Facebook and have students create tweets or status updates expressing their thoughts on their favorite or least favorite selections from the reading. Students should then tweet or comment on their classmates' observations to generate further discussion. Allow time to discuss student observations. (If technology does not permit, you can facilitate classroom sharing through printed copies of student work.)

6. Cartoon depicting a favorite/least favorite selection: Students can create a cartoon illustrating their favorite or least favorite selection(s) from the reading. Have students present their work to the class. Allow time to discuss student observations.

7. Song/video depicting a favorite/least favorite selection: Students should compose a song or shoot a video depicting their favorite or least favorite selection(s) from the reading. Have a performance or screening for the class. Invite other classes to attend. Allow time to discuss student observations.

8. Summary with commentary on favorite/least favorite selection: Students should summarize three of their favorite or least favorite selections from the reading. Each summary should conclude with the student's commentary or observations of the selection. Allow time to discuss student observations.

9. Chapter questions: Distribute a set of questions for each chapter for students to answer as they complete the reading. Allow time to discuss student answers.

10. Test/Quiz: Have students take a test over the entire reading or a quiz over each chapter or selected chapters. Once testing is completed allow time for the class to discuss student observations.

Study questions for *The Armchair Economist* by Steven E. Landsburg

1. How did the passage of seat belt laws affect traffic accidents? How does Landsburg relate this story to the “incentives matter” principle?
2. Explain how “99-cent pricing” and the invention of the cash register are related. How is this situation an example of a rational riddle?
3. Asymmetrical information occurs in market economies. Explain two different examples that Landsburg use to convey the meaning of this phenomenon.
4. To whom do all economic gains accrue? What principle guarantees this? Explain.
5. Landsburg writes about the “Game of Life” and contends, “Students would learn a lot from this game. They would learn that your success in life is measured not by comparison with others’ accomplishments but by your private satisfaction with your own.... [T]here can be many winners, and one player’s triumphs need not diminish anybody else’s. They would learn that hard work has its rewards, but that it also takes time away from other activities, and that different people will make different judgments about what to strive for.” Do you agree or disagree? Defend your statement.
6. Explain how Landsburg extends the “Game of Life” argument to international trade and the lessons to be learned from this application.
7. How does Landsburg apply the logic of efficiency to “the economist’s distaste for inflation”?
8. “Efficiency in wheat production requires that all farmers face the same marginal cost.” Explain this statement.
9. The case of Dr. Sturges, the medical practitioner, and Bridgman, the candymaker, illustrates an economic theorem. What is the theorem? Explain by summarizing the relationship between Sturges and Bridgman.
10. What is consumer surplus? How is it measured?
11. Why is inflation “an enormous boon to any debtor, including the government,” according to Landsburg?
12. “Our grandchildren will inherit not only our debts but also our savings accounts, which include the additional wealth that we save by paying lower taxes in the present.” Explain this statement.
13. “Strive, within reasonable limits, to smooth your consumption.” Explain this statement.
14. What are some of the deficiencies in the way GDP is calculated?
15. What does the economic way of thinking emphasize, according to Landsburg?

16. “[T]he purpose of expensive popcorn is to extract different sums from different customers.”
What does Landsburg mean by this statement?
17. “Theory suggests that when an enforcement mechanism is available, any group of competitors will attempt to collude.” Explain this statement.
18. How is the real rate of interest calculated? What is the significance of the real rate of interest?
19. Why is the random walk theory a theory of price changes rather than a theory of prices?
20. Explain how America grows cars in Iowa. What is the economic principle behind this premise?
21. According to Landsburg, where have macroeconomists failed “most spectacularly”?
22. Why is Landsburg not an environmentalist?

Study questions for *Eat the Rich* by P.J. O'Rourke

1. Differentiate among debt, equity, derivatives, and futures as investment options.
2. What is asymmetrical information? Explain the relationship between inside information and asymmetrical information, based on O'Rourke's interpretation.
3. Thousands of Albanians unwittingly invested their savings in pyramid schemes. What is a pyramid scheme? When did this occur? Cite an example of how these worked in Albania.
4. Contrast the benefits Swedish citizens receive from their government with the fiscal realities and affect on productivity and GDP/capita.
5. Highlight the arguments O'Rourke writes about Cuba in the chapter "Bad Socialism."
6. Summarize O'Rourke's "Ten Less-Basic Principles of Economics."
7. Explain how central planning worked in Russia. What did *tolkachi* do in Russia?
8. What is a "black economy"? What caused Russia's black economy?
9. Explain the Tanzanian concept of *ujamaa*?
10. What does O'Rourke mean when he writes, "Quite a bit of government effort is required to create a system in which government leaves people alone"?
11. "The First Amendment implies a free market. Six of the remaining nine articles in the Bill of Rights defend private property specifically. And two of the others concern rights reserved to the people, some of which are certainly economic rights" (p. 237). How does O'Rourke defend this passage?
12. Can fairness be "delivered" (p. 239)? Explain.

Study Questions for *Fast Food Nation* by Eric Schlosser*

1. Schlosser tells us that “no other industry in the United States has a workforce so dominated by adolescents” as does the fast food industry (p. 68). What are the advantages and disadvantages of this situation for the fast food companies and for the teenagers who work for them? In what ways are “the immediate needs of the chains and the long-term needs of teenagers . . . fundamentally at odds” (p. 78)?
2. What are some of the more important implications of the fact that “the fast food industry now employs some of the most disadvantaged members of American society”—that is, recent immigrants, the elderly, the handicapped, and others? What are the advantages to the industry of employing people from these groups? What part in the growth and success of the fast food chains and America’s food-production companies has been played by the hiring of illegal immigrants in particular? Does employing these people amount to a serious disservice to the nation?
3. Fast food chains, despite the myriad problems documented by the author, have an undeniable appeal — they are convenient and offer inexpensive and tasty food. Even if you are disturbed by the practices of these corporations, could you realistically swear off their food, given its ubiquity and mainstream appeal?
4. Since few people would confuse fast food with health food, who bears the greater responsibility for the alarming rate of obesity in children in the United States: the fast food chains that market “supersize” meals to children, or parents who are not educating their children about the benefits of a balanced diet? Can well-intentioned parents maintain control over the eating habits of their children in an era when school districts are contracting to bring fast food into the school cafeteria?
5. One of Schlosser’s primary concerns is with the impact of fast food on children and adolescents. What details of that impact does he present? How does the fast food industry “both feed and feed off the young” (p. 9)? In what ways do the major fast food chains appeal to, and market to, children (p. 47)?
6. How significant is it that “a person’s food preferences, like his or her personality, are formed during the first few years of life” (p. 122)? How might this fact be related to the eating habits, food selections, and eating-related problems among America’s children, teenagers, and adults? What do the fast food chains do to promote the pleasures and reassurances associated with childhood favorites and comforts?
7. Upton Sinclair's *The Jungle* was the first book to sound the clarion call about the appalling abuses inherent in mass-produced beef. In the decades since its publication, the state of meatpacking has received scant attention. Were you shocked that *Fast Food Nation* documents some of the same unsafe conditions and practices that Sinclair revealed nearly

100 years ago? Were you under the impression that the unsafe conditions in meatpacking had largely been eliminated and that the United States' beef and poultry industry set the standard for other countries?

8. Schlosser contends that “the industrialization of cattle-raising and meatpacking over the past two decades has completely altered how beef is produced — and the towns that produce it” (p. 149). How has the “new meatpacking regime” changed beef production, the towns where beef is produced, and the lives of those who work and live in those towns? What economic, social, and political realities have resulted from the meatpacking industry’s efforts to increase productivity, efficiencies, and profits? What are the main pluses and minuses of introducing McDonald’s, Burger King, KFC, and other fast food restaurants—along with “the values, tastes, and industrial practices of the American fast food industry”—in countries around the world?
9. “No other nation in history has gotten so fat so fast,” Schlosser exclaims (p. 240). How successful is he in presenting the incidence and seriousness of obesity among American adults and, in particular, among American children (p. 240)? What links does he present between the dramatic rise of obesity in America and the dramatic increase in the consumption of fast foods, including carbonated soft drinks? What other contributory factors may be involved? What actions taken to combat the rising rate of obesity have you observed?
10. What actions by individuals, organizations, communities, and other groups -- including the United States Congress and government agencies — does Schlosser call for (p. 262)? What effects would each likely have on individual consumers, our society, and the fast food industry?
11. “Whatever replaces the fast food industry,” the optimistic Schlosser concludes, “should be regional, diverse, authentic, unpredictable, sustainable, profitable — and humble” (p. 288). What indications of this blend do you find in your community? What can we do to encourage the kinds of restaurants and the quality of food that Schlosser calls for?

*Source: “Past Book Discussion Details” web page, Manitowoc Public Library, 2010, www.manitowoclibrary.org/en-us/adults/events/book_discussions/details.aspx?event_id=215&caldate=2010,7,6.

Study questions for *Freakonomics* by Steven D. Levitt and Stephen J. Dubner

1. According to Levitt and Dubner, what effect did high-stakes testing have on the Chicago Public School system? Defend your answer.
2. What were some of the lessons that Paul Feldman learned from his office bagel business?
3. How did John B. Stetson “unmask” the activities of the Ku Klux Klan? What role did inside information play in his efforts?
4. How has the Internet affected real estate agents? (Consider inside information and incentives when answering.)
5. According to Levitt and Dubner, why do drug dealers live with their moms?
6. What economic argument does Levitt make against the Brady Act?
7. Which household is more dangerous for young children going on a play date to visit: the house with a swimming pool or one where the parents keep a gun? Support your answer.
8. How does Levitt define correlation? Explain how economists use regression analysis (p. 163).
9. What conclusions does Levitt reach about the choice of name parents choose for their child?
10. “The white boy who grew up outside Chicago had smart, solid, encouraging, loving parents who stressed education and family. The black boy from Daytona Beach was abandoned by his mother, was beaten by his father, and had become a full-fledged gangster by his teens. So what became of the two boys?” Answer the question and briefly explain who these two men are. (You will need to do outside research to support your answer.)

Study questions for *The Logic of Life* by Tim Harford

1. Explain the four observations Harford makes when referring to people's rational behavior.
2. Explain the basics of game theory. Who wrote *Theory of Games and Economic Behavior*? How did Thomas Schelling apply the rational choice perspective of game theory to addiction?
3. "Instead, the divorce revolution was driven by a more fundamental economic force: the breakdown of the traditional division of labor identified by Adam Smith." Explain this statement.
4. Economists Alexandre Mas and Enrico Moretti measured the productivity of 370 cashiers in six supermarkets for two years. "Mas and Moretti wanted to find out whether people work harder if surrounded by productive colleagues." What did they discover? Explain.
5. Explain the problems associated with the "split-the-check" phenomenon.
6. What profound discovery did Thomas Schelling make by using his son's coin collection and chessboard? Explain.
7. Explain how the "Moving to Opportunity" experiment was conducted and its findings. When did this experiment occur?
8. Summarize Harford's observations concerning the dangers of rational racism.
9. What are negative and positive externalities? How does Harford illustrate these two concepts?
10. Explain the basic model of rational revolutions that Harford describes.
11. "Why, in rich countries, are rural areas subsidized by urban areas?" How does Harford answer this question?
12. "Economists are typically wrong about the future, but few have ever been as spectacularly, famously, and lucklessly wrong as Thomas Malthus." Explain how Harford defends this statement.

Study questions for Charles Wheelan's book *Naked Economics**

1. Explain what is the economic concept of utility?
2. What does the economic concept of cost mean?
3. Why are prices important in a market economy?
4. How did misaligned incentives contribute to the recent financial crisis?
5. What is creative destruction? How does it affect everyday life?
6. Explain what role the government can play in a market economy when dealing with externalities.
7. What is the tax-cuts increase revenue fallacy?
8. Explain briefly why human capital and productivity are so important to economic well-being.
9. What is the efficient markets theory?
10. What does economics explain about the politics of special interest groups?
11. What is GDP? What is the difference between nominal GDP and real GDP?
12. What are some of the causes of recessions?
13. What is fiscal policy?
14. What is the current account surplus and current account deficit?
15. Briefly explain why the Federal Reserve is such a powerful institution.
16. Describe what the functions of money are.
17. What gives the dollar its value?
18. What are some of the harmful effects of inflation?
19. What is deflation? Why is it not a positive phenomenon?
20. Why do we trade with others?
21. How can we offset some of the negative results of globalization?
22. Explain how globalization positively impacts poor developing nations.
23. What is the primary economic reason why sweatshops pay low wages?
24. Explain what are some of the factors that contribute to the wealth and poverty of different nations.
25. Explain why property rights are an important factor in economic development.

*Source: "Honors Economic/AP Macroeconomics Summer Project" (PDF file), Bishop Amat Memorial High School, La Puente, Cal., 2011, www.bishopamat.org/wp-content/uploads/2010/10/2011-Honors-Economics-and-AP-Macroeconomics.pdf.

Study questions for Barbara Ehrenreich's *Nickel and Dimed**

1. What are the significance of nutrition and health, a recurrent theme in Ehrenreich's narrative? Who would benefit if the workers were healthier? What incentive do workers have to go to the doctor if they are ill? What happens when people who are ill wait long periods before going to the doctor for treatment?
2. On p. 91, Ehrenreich writes that hiring a cleaning person was "not the kind of relationship that she wanted to have with another human being." What does she mean? How would such a relationship be similar to or different from the ones that she must have with the person that changes the oil in her car, or the person who cuts the meat that she buys at her grocery store, or the person who cleans the offices in the building that she might work in at her real job? Is society better off because Ehrenreich does not personally hire a maid?
3. What are the economic benefits to the firm from installing surveillance systems to monitor employees and administering questionnaires and drug tests to prospective employees? Do these activities constitute infringements on civil rights? Do the economic benefits to the firm justify these activities?
4. One strategy for coping with the challenges posed by low wages and high rents is to share an apartment or hotel room. Think about the family structure and living arrangements throughout the last century. Has marriage and family formation been a social institution or an economic institution? What trends have been observed in extended families (three generations living under one roof, or two older generations living under one roof), and how do these relate to economic well-being?
5. What evidence do you see that the low wage employees are angry about the circumstances in which they find themselves (excluding Ehrenreich)? Why are they angry? Is this anger justified? Are some people more likely to become angry about manual labor than others? Why?
6. Even when Ehrenreich has a job with an adequate salary (relative to her rent), she experiences periods in which she can barely survive, at least temporarily. Why is this the case? What policy initiative to help low wage workers might be suggested by this observation?
7. Ehrenreich notes an apparent need for "approval" from the worker's supervisor. She also notes that mass media images are decidedly negative (or absent) regarding low wage workers, and reports a sense of feeling alone in one's circumstance. Do you think that this is an accurate portrayal of mass media imagery (verify by noting TV or magazine images)? What economic incentives would lead the mass media to behave in this manner, assuming that you agree with Ehrenreich?

8. Ehrenreich's experience points out the economic importance of the spatial layout of cities. Which distances (e.g., from what to what) were important or posed special challenges for Ehrenreich? What do you think were the economic circumstances or incentives that led to the location of these businesses or services?
9. Ehrenreich's life was made much easier by the availability of a car. How would a low wage worker fare in the absence of this convenience? How would it affect their labor supply and housing decisions?
10. Why did Ehrenreich stay in motels for \$200 per week, which was more expensive than the going apartment rentals?
11. Ehrenreich is sympathetic to unions but acknowledges that they have some shortcomings. From the businesses', employees', and consumers' perspectives, what are the benefits and costs of unionism?
12. Unless you count Budgie, Ehrenreich had no real family responsibility during her experiment. How would her routine have changed if she were responsible for children? How would her economic circumstances have changed? Given the historical patterns of childcare and the current trends in child custody in divorce cases, would these challenges fall more heavily upon low wage women?
13. What is meant by the term "mother's hours," a "benefit" offered by the maid service in Maine? Is this job trait likely to raise wages, lower wages, or leave wages unaffected? Should we think of this as a benefit? Can you think of other job characteristics that would be associated with higher or lower wages?
14. Why didn't the low wage workers just switch to higher paying jobs (Ehrenreich notes that there were higher paying jobs available)? What circumstances discourage low wage workers from seeking out and taking the best paying job that they can find?

*Source: "Study Questions for Barbara Ehrenreich's 'Nickel and Dimed'," Furman University web page, eweb.furman.edu/~kpeterso/peterson/nickelanddimed.htm.

Study questions for *SuperFreakonomics* by Steven D. Levitt and Stephen J. Dubner

1. “[C]onsider an even more unlikely victim of the feminist revolution: schoolchildren.” How do Levitt and Dubner defend this statement?
2. What are birthday bulges and how do these impact both amateur and professional sports?
3. What impact has Craig Feied had on emergency room medicine? Explain.
4. What tactic does Ian Horsley believe will work in locating terrorists?
5. According to the authors, how has the arrival of cable TV affected women living in rural India?
6. Describe the lab game Ultimatum. Contrast the lab game Dictator with Ultimatum.
7. How do the authors define “Homo economicus”? Compare this to “Homo altruisticus.”
8. What did Ignatz Semmelweis identify as the cause of death from puerperal fever in women who had just given birth in the mid-19th century? How does this relate to the law of unintended consequences?
9. Are seat belts designed to fit children? What do the authors contend is “the greatest cost of car seats”? Explain.
10. What is an externality? How do the authors illustrate this concept? Contrast negative and positive externalities.
11. Describe the Salter Sink. How would this be used to mitigate the impact of hurricanes?
12. What do Al Gore and Mount Pinatubo have in common?
13. Has Semmelweis’s discovery led to significant behavioral change by the perpetrators? Explain.
14. Did the authors’ observations bring to light the work of macroeconomists or microeconomists? Why do they contend that “headlines go to the macroeconomists”?

Study questions to accompany *The Undercover Economist* by Tim Harford

1. How does Harford explain the relationship between relative scarcity and bargaining power?
2. Why is “marginal” land of central importance? Cite examples from the book to support your answer.
3. How does Starbucks use price targeting (price discrimination)?
4. “[P]rices ‘tell the truth’ and reveal information.” Explain this statement using examples from chapter 3.
5. What are externalities? Cite two examples from chapter 4.
6. Explain the market implications when “one party to a deal has inside information and the other does not.”
7. “Should we believe the ‘random walk’ theory?” How does Harford answer this question?
8. What did the auctions for spectrum rights conducted in the United States and New Zealand reveal about game theory analysis?
9. “Government banditry, widespread waste, and oppressive regulations designed to make it easier to extract bribes: all are elements of that missing piece of the growth and development puzzle.” Explain the meaning of this statement and support your answer with examples from chapter 8.
10. Explain what Harford means when he writes that “globalization is green.”
11. Is trade good for the poor? Defend your answer.
12. According to Harford, how did China “grow rich”?

Online resources

Blogs

[Greg Mankiw's Blog: Random Observations for Students of Economics](#). The Harvard University economics professor's blog offers links to resources of interest, comments on various current topics and archived posts of advice for students.

[Grasping Reality with Both Hands—Fair, Balanced, and Reality-Based: The Semi-Daily Journal of Economist J. Bradford DeLong](#). The U.C. Berkeley economics professor's blog includes book selections, posts about current issues, and a feature called "My Delicious Bookmarks," with links to some of his favorite websites.

[The Conscience of a Liberal: Paul Krugman](#). Princeton economics professor and New York Times Op-Ed columnist's blog features links to his recent columns as well as posts involving current macroeconomic policy issues.

[Marginal Revolution: Small Steps toward a Much Better World](#). Tyler Cowen is a George Mason University professor of economics and Alex Tabarrok is the Bartley J. Madden Chair in Economics at George Mason University. This blog features links to their favorite blogs, resources, and websites as well as posts of timely topics and a list of recommended book titles.

[MV=PQ: A Resource for Economic Educators \(EconSchill\)](#). Tim Schilling is the former associate director for program at the Powell Center for Economic Literacy. The blog features Schilling's posts and links to resources.

Websites

[Common Sense Economics](#)

Follow the Instructor Resources link to a test bank, hot topics, and "key elements" PowerPoint presentations. The Student Resources link features reading guides, a section for exploring topics, and practice questions. There is also a link to Really Cool Stuff that highlights links to games and activities, some of the New York Fed comics, and recommended fun readings.

[The Naked Economist](#). Charles Wheelan, public policy lecturer at the University of Chicago's Harris School of Public Policy, writes a column with "Expert Advice" on Yahoo Finance.

[Reffonomics: Economics University](#). This website, produced by Dick Brunelle and Steven Reff, includes interactive lessons in basic, micro-, and macroeconomic concepts for both students and teachers. The site also provides 40-question unit tests as well as multiple-choice questions and essay questions for the topics covered in the lessons.

[Ludwig von Mises Institute: Advancing the Scholarship of Liberty in the Tradition of the Austrian School](#). This site features blog entries, articles, video, audio podcasts, links to the St. Louis Federal Reserve economic data (known as FRED), and academic papers. The site also has a bookstore. The von Mises Institute promotes libertarian political thought, the Austrian School of economics theory, and classical liberalism teachings.

Twitter

Andrew Ross Sorkin, Paul Krugman, Tim Harford, Greg Mankiw, Tyler Cowen of Marginal Revolution, J. Bradford DeLong and many more economists are all now tweeting!