

SECTION QUIZ The Nation's Sick Economy

A. Terms and Names Write the letter of the name or term that matches the

description.

- a. credit f. Alfred E. Smith
- b. speculation
- g. buying on margin
- h. Hawley-Smoot Tariff Act
- c. price support d. Black Tuesday
- e. Herbert Hoover
- i. Dow Jones Industrial Averagej. Great Depression
- 1. This Democrat lost the presidential election of 1928.
- 2. This Republican won the presidential election of 1928.
- 3. This term refers to the stock market crash of October 29, 1929.
 - _____ 4. This term is the name of the most widely used measure of the stock market's health.
 - 5. In an effort to curb the financial loss farmers were suffering, Congress tried to pass the McNary-Haugen bill, which would have mandated this on key crops.
 - 6. This term specifically refers to paying a small percentage of a stock's price as a down payment and borrowing the rest.
 - 7. This term refers to making extremely risky business transactions on the chance of making quick or considerable profits.
 - 8. This reduced the flow of goods into the United States and prevented other countries from earning American currency to buy American exports.
 - 9. This is an arrangement in which consumers agree to buy now and pay later for purchases, often on an installment plan that includes interest charges.
 - _ 10. This is the period from 1924 to 1940 in which the economy plummeted and unemployment skyrocketed.
- **B. Extended Response** Briefly answer the following question on the back of this paper.

Describe the fundamental problems in one of the following areas of the economy and how they helped to cause the Great Depression: industry, agriculture, consumer spending and debt, distribution of wealth.