

2. *In recent years, Alberta has dramatically reduced government spending on health care and social services. Many government services have been privatized, and business activities have been deregulated.*

These actions are consistent with the ideology of

- A. democratic socialism
- B. demand-side economics
- C. laissez-faire economics
- D. fiscal interventionism

*Use the following opinion to answer question 21.*

Poverty and Suffering are not due to the unequal distribution of goods and resources, but to the unequal distribution of capitalism.

—Rush Limbaugh

—from *Policy Review*

21. Given the opinion above, the writer's economic perspective can be considered to be
- A. anti-capitalist because he believes that capitalist systems are unable to distribute goods and services equitably
  - B. pro-capitalist because he argues that capitalist systems continually expand the production of goods and services
  - C. anti-capitalist because he implies that capitalist systems encourage the wasteful use of natural resources
  - D. pro-capitalist because he suggests that hardships are lessened if capitalism is more universally implemented

Use the following observation to answer questions 27 and 28.

Every individual necessarily labours to render the annual revenue of the society as great as he can. He neither intends to promote the public interest, nor knows how much he is promoting it. He intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. By pursuing his own interest, he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good.

—adapted from *The Works of Adam Smith*

27. The writer suggests that people who are motivated by financial self-interest inadvertently affect society by
- A. creating economic instability
  - B. encouraging class divisiveness
  - C. creating broad-based prosperity
  - D. encouraging the exploitation of resources
28. A democratic socialist would **most likely** respond to the writer's position
- A. favourably because the writer recognizes the importance of self-interest
  - B. unfavourably because the writer places the collective welfare of society ahead of individualistic values
  - C. favourably because the writer acknowledges the necessity of using the profit motive to promote the common good
  - D. unfavourably because the writer argues that little is achieved by those who place societal goals ahead of individual goals