

Louisiana Our History Our Home Chapter 3

Read the passage and then answer the next question.

Louisiana's first French settlers eagerly traded with nearby groups of Indians for food and other items of value. In exchange for corn - and, later deerskins - the first colonists offered the Indians French-made goods including axes, knives, blankets, shirts, mirrors, and needles.

- _____ 1. What type of economic system is described in the passage?
- a. command economy
 - b. market economy
 - c. mixed economy
 - d. traditional economy
- _____ 2. Which best supports the origin of this economic system?
- a. French settlers had a surplus of goods and they wanted to trade.
 - b. French settlers were eager to share their culture with the nearby Native Americans.
 - c. French settlers did not want to take land from the Native Americans to start their own farms.
 - d. French settlers were unfamiliar with the new climate and effective farming techniques making food scarce.
- _____ 3. Read the passage, and then answer the next question.

The French had big plans for developing an economic system in Louisiana that would benefit France. They hoped to ship raw materials from the colony and process them into more valuable finished goods at home. Along with timber, deerskins were among the most consistent exports in Louisiana's early history.

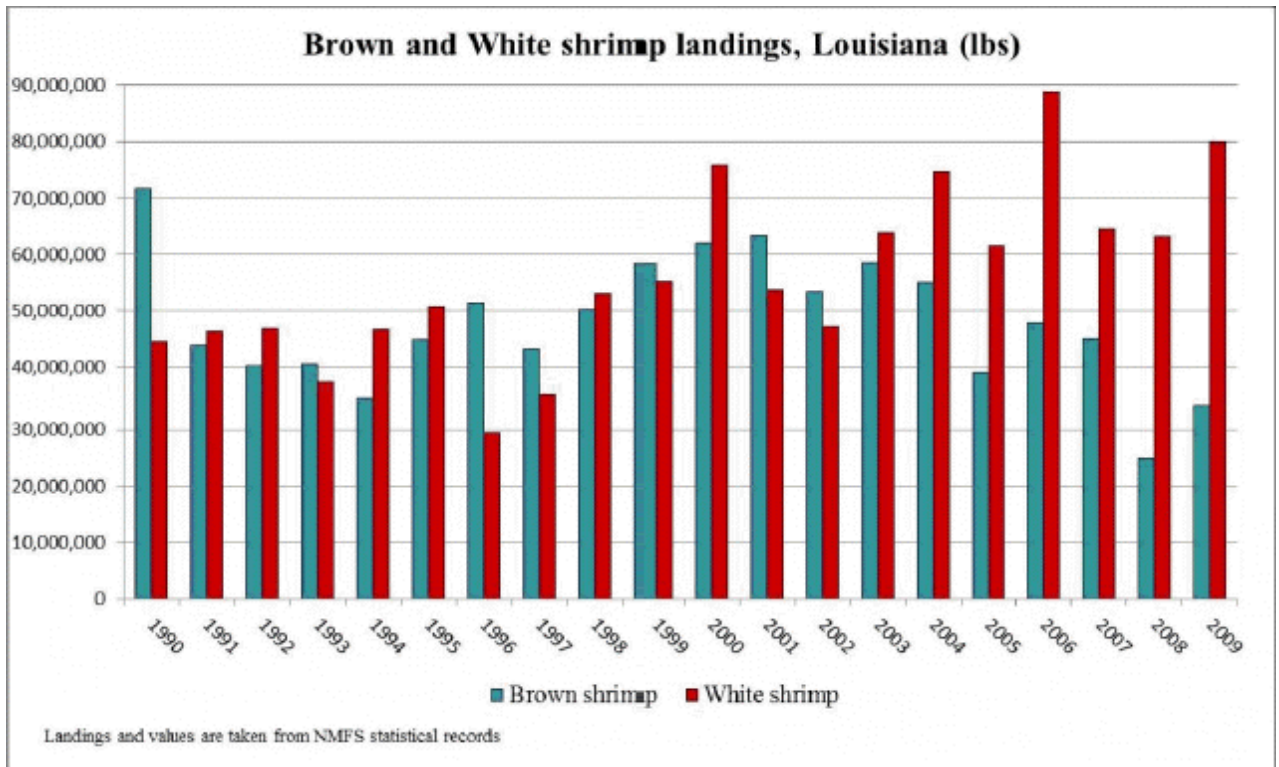
What conclusion can be drawn from the passage?

- a. France was eager to increase profits for the Indians with their new export program.
- b. France wanted to create a command economy to control Louisiana's many natural resources.
- c. France wanted to create a free market economy to boost profits for their settlers in the Louisiana colony.
- d. France wanted to create a mutually beneficial trade arrangement between themselves and the new colony.

1721 Trade Agreement	
French	Natives
a meter of woolen cloth or one axe	four dressed deerskins
one blanket or tomahawk	two dressed deerskins
two-thirds of a pound of gunpowder or twenty gun flints	one dressed deerskin

- _____ 4. What conclusion can be drawn from the table?
- Deer were scarce in the Louisiana colony.
 - Natives did not have access to woolen cloth.
 - France produced very little gunpowder in 1721.
 - Natives already owned many guns when the French arrived.
- _____ 5. What type of economic system is detailed in this agreement?
- command economy
 - market economy
 - mixed economy
 - traditional economy
- _____ 6. Which of the following describes a **natural resource**?
- goods created and used to produce other goods and services
 - gifts of nature that can be used to produce goods and services
 - people doing physical or mental work to produce goods or services
 - people who assume the risk of organizing productive resources to make a profit
- _____ 7. What are **capital resources**?
- money invested in a business
 - useful resources from Earth
 - people producing goods and services
 - tools used to produce commodities

Use the graph to answer the following question(s).

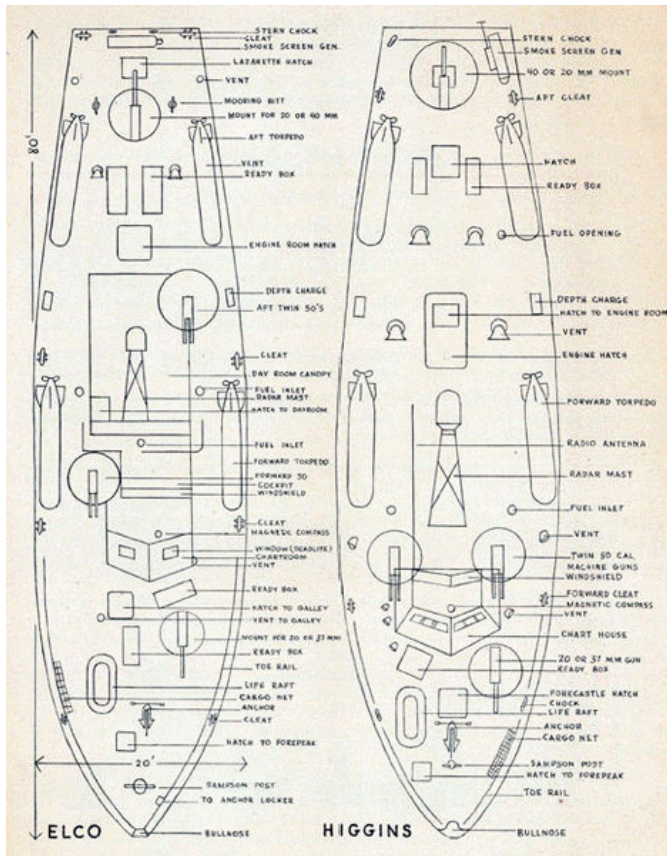


- _____ 8. What conclusion about brown shrimp could be drawn from the data?
- They are more popular than white shrimp.
 - They are harder to catch than white shrimp.
 - They were more expensive in 2008 than in 1990.
 - Their populations have been steadily increasing since 1990.
- _____ 9. What conclusion about shrimp is supported by the data?
- White shrimp are easier to catch.
 - White shrimp are bigger so they weigh more.
 - Brown shrimp are more popular than white shrimp.
 - The population of brown shrimp has declined since 1990.
- _____ 10. How might this data have affected seafood restaurant diners from 2003-2009?
- Diners paid less for dishes containing brown shrimp.
 - This data has no impact on dining in a seafood restaurant.
 - Restaurants offered a menu based heavily on brown shrimp dishes.
 - Diners were offered a wide variety of dishes containing white shrimp.

Name: _____

ID: A

- _____ 11. What are the characteristics of a **traditional economy**?
- a. government directed decisions about resources
 - b. agricultural basis, bartering, customary
 - c. government regulations, individual control
 - d. individual control, producers predict consumer response
- _____ 12. How does a market economy differ from a command economy?
- a. Consumers answer the four basic economic questions instead of producers.
 - b. Producers are free to answer the four basic economic questions instead of consumers.
 - c. Producers and consumers are free to answer the four basic economic questions without government involvement.
 - d. Producers work with the government to answer the four basic economic questions instead of just having the government decide.



13.

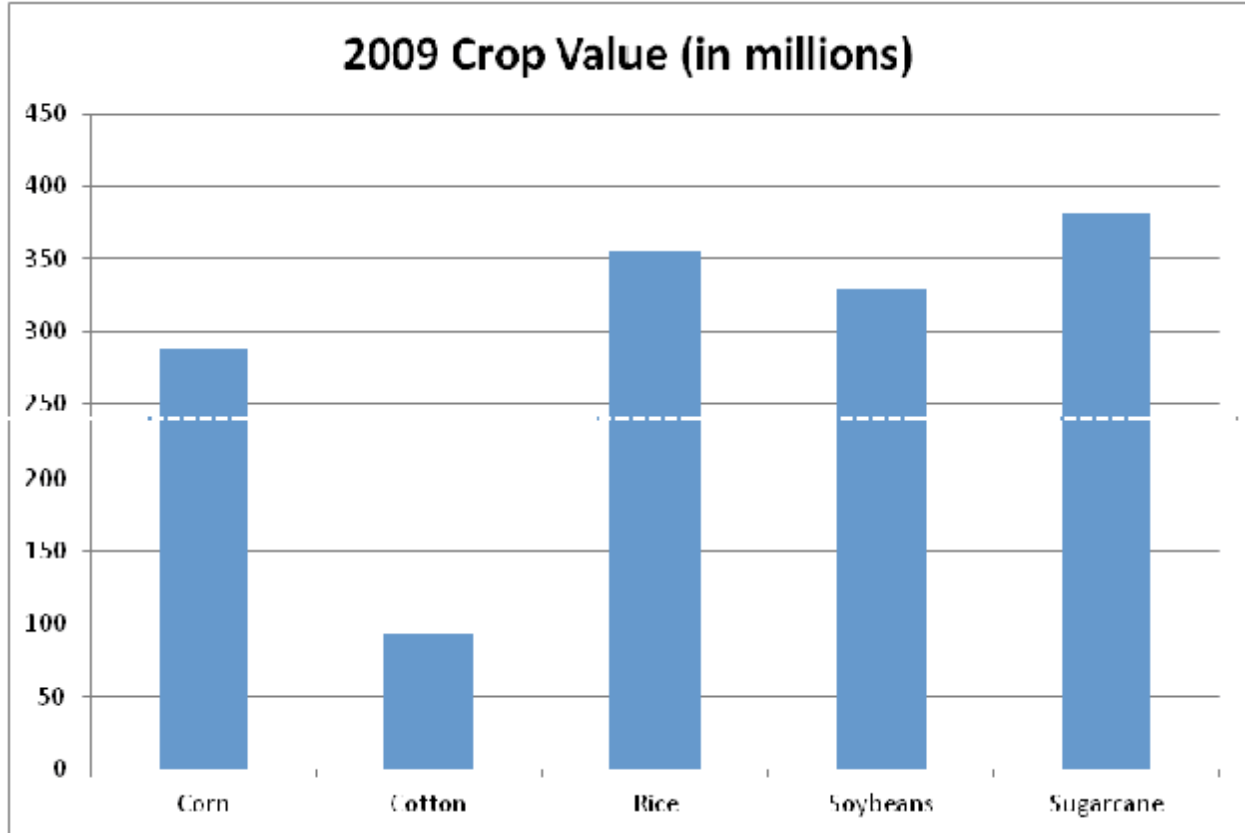
How is this diagram connected to Louisiana's manufacturing history?

- Higgins' design had limited commercial potential, so it was not manufactured on a large scale.
- The specialty parts for Higgins' shallow water boats made it impossible to mass produce locally.
- The military success of Higgins' boat design led to the development of seven factories and 20,000 jobs.
- Higgins Industries only employed specially trained United States military personnel in their manufacturing plants.

14. How is **agribusiness** different from farming in the past?

- More people are farming larger plots of land.
- Fewer people are farming with decreased production.
- Fewer people are farming but production remains high.
- More people are farming smaller plots of land instead of plantations.

Use the graph below to answer the following question(s).



- _____ 15. Based on the information in the graph, what can be concluded about cotton production in Louisiana?
- The need for cotton in textiles has increased sharply.
 - Cotton was sold at a lower price than other cash crops.
 - Cotton had less of an impact on the farm industry than other crops.
 - There was less cotton harvested in comparison to other cash crops.
- _____ 16. Study the graph. In planning for 2010, what decision might a Louisiana cotton farmer make based on this data?
- keep cotton production at the same level
 - raise livestock instead of growing cotton
 - grow another kind of crop to increase crop value
 - plant more cotton in the same area risking overcrowding
17. Explain how supply and demand come together in the free market to determine price.

Name: _____

ID: A

Match the following descriptions to the correct economic system.

- a. Economic system that tends to be heavily reliant on agriculture, often uses the barter system, and economic decisions are often based on established customs.
- b. Economic system in which the government (rather than private individuals) seeks to answer the basic economic questions.
- c. Economic system in which individuals make decisions that shape the economy. Supply and demand determine what is produced, how much is produced, and at what price it will be sold.

_____ 18. Market Economy

_____ 19. Traditional Economy

_____ 20. Command Economy

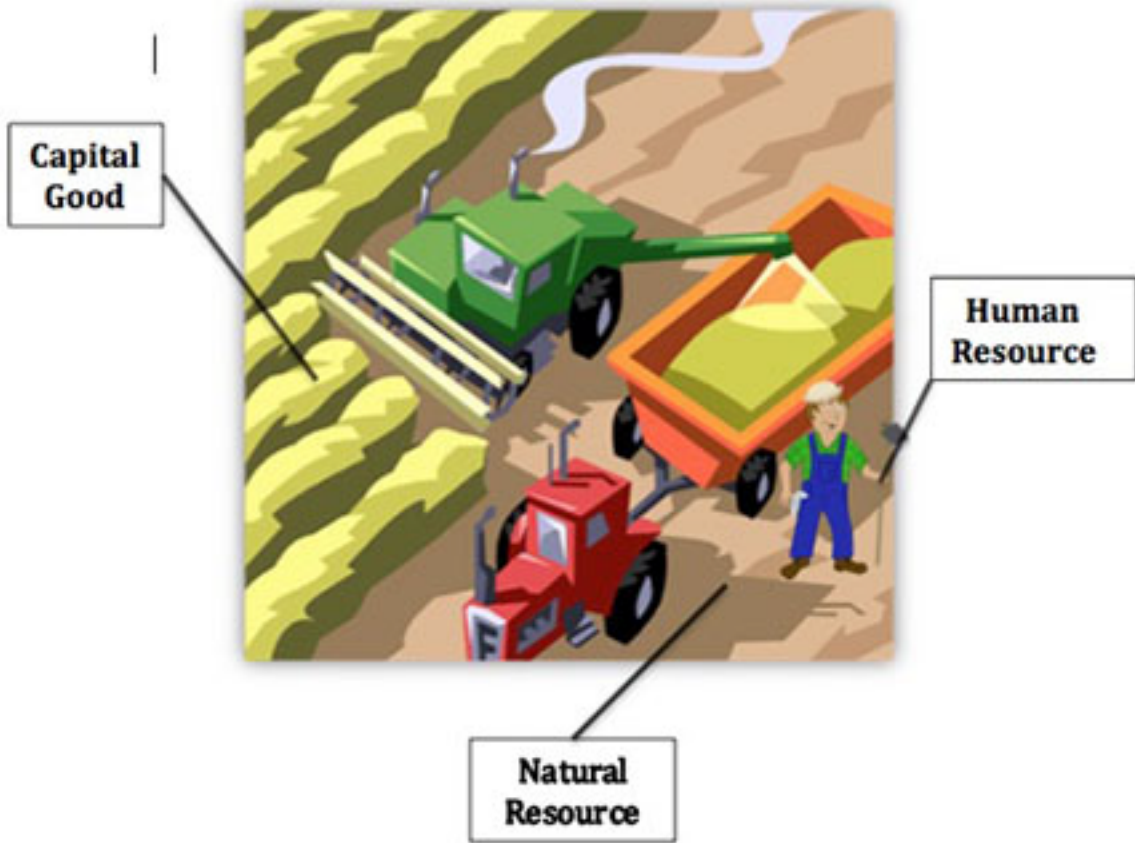
21. How are market economies different from command economies?

Use the four sources and your knowledge of social studies to answer the questions.

Source 1: The Factors of Production



Source 2: Natural Resources of Louisiana



Source 3: Oil Production



Source 4: Agricultural Products of Louisiana

Agricultural Products/ Natural Resources	Value/Volume	Products	Location
Soybeans	\$700 million	Livestock feed, soy milk and soy sauce, tofu, mayonnaise, margarine, etc	Northeastern and Central Louisiana
Sugarcane	\$586 million	Sugar, molasses, and paper products	Southern Louisiana
Cotton	Over \$231 million	Lint used for fabric; seed used for oil and livestock feed	Northern Louisiana
Poultry	\$958 million	Eggs and fryers	Northern and Southeastern Louisiana
Timber	\$824 million	Pulp, sawtimber, and plywood	Northern and Southeastern Louisiana
Shrimp	More than \$100 million	White and brown shrimp	Louisiana's Gulf Coast
Oil	402,104,507 barrels	Gasoline and hundreds of other products	Northwestern Louisiana and the Gulf Coast
Salt	\$181 million	Flavoring for food and PVC pipe	Central and Southern Louisiana

- _____ 22. Based on Source 3, which is the most valuable resource produced in Louisiana?
- cotton
 - poultry
 - shrimp
 - timber

Name: _____

ID: A

- _____ 23. Based on Sources 2 and 3, which two statements are supported by the maps?
- a. most oil wells and refineries in Louisiana are in the northwestern part of the state
 - b. Louisiana leads the south as the home of the most oil refineries in the nation
 - c. none of the offshore oil rigs in the Gulf of Mexico are on the Louisiana coast
 - d. hurricanes Katrina and Rita both hit Louisiana damaging oil refineries and offshore rigs
 - e. the 13 oil refineries in Louisiana are located near land oil wells

Name: _____

ID: A

24. Based on Source 4 and your knowledge of social studies, identify whether each activity describes a natural, capital, or human resource.

Write the productive resource from the list below in the table. Fill every space in the table. All options in the list will NOT be used.

Human Resource	Natural Resource	Capital Resource
Human Resource	Natural Resource	Capital Resource
Human Resource	Natural Resource	Capital Resource
Human Resource	Natural Resource	Capital Resource
Human Resource	Natural Resource	Capital Resource

Statement	Productive Resource
1. A cameraman records the action of a new episode in the Duck Dynasty television series filmed on location in West Monroe.	
2. A new plant is being built in Louisiana to produce ethylene, a chemical used in plastics.	
3. A huge deposit of natural gas is being extracted from the shale rock in Bienville Parish.	
4. Louisiana waters yield an oyster harvest of about 10 to 15 million pounds annually.	
5. A tour guide informs a group of tourists about a historic Louisiana plantation home.	
6. A new terminal is being added to the Louis Armstrong International Airport in New Orleans.	
7. A Louisiana manufacturing plant installs a \$500,000 machine to increase plywood production.	
8. The value of the annual Louisiana sugarcane crop exceed \$500 million.	
9. Workers are being hired for a new plant that will convert sugarcane waste into biofuels.	

25. **Based on Sources 3 and 4, and your knowledge of social studies, use at least two economic terms listed in the word bank to explain how increased demand for oil will result in a severe decline in oil production throughout the state's operating wells by the end of this century.**

WORD BANK:

scarcity

opportunity cost

nonrenewable resource

renewable resource

benefit analysis

Louisiana Our History Our Home Chapter 3

Answer Section

- | | | | |
|-----|--------|--------|------------|
| 1. | ANS: D | PTS: 1 | DIF: DOK 1 |
| 2. | ANS: D | PTS: 1 | DIF: DOK 3 |
| 3. | ANS: B | PTS: 1 | DIF: DOK 3 |
| 4. | ANS: B | PTS: 1 | DIF: DOK 3 |
| 5. | ANS: D | PTS: 1 | DIF: DOK 1 |
| 6. | ANS: B | PTS: 1 | DIF: DOK 1 |
| 7. | ANS: D | PTS: 1 | DIF: DOK 1 |
| 8. | ANS: C | PTS: 1 | DIF: DOK 3 |
| 9. | ANS: D | PTS: 1 | DIF: DOK 3 |
| 10. | ANS: D | PTS: 1 | DIF: DOK 2 |
| 11. | ANS: B | PTS: 1 | DIF: DOK 1 |
| 12. | ANS: C | PTS: 1 | DIF: DOK 2 |
| 13. | ANS: C | PTS: 1 | DIF: DOK 3 |
| 14. | ANS: C | PTS: 1 | DIF: DOK 2 |
| 15. | ANS: C | PTS: 1 | DIF: DOK 3 |
| 16. | ANS: C | PTS: 1 | DIF: DOK 3 |
| 17. | ANS: | | |

Supply is the quantity of a good or service available for sale at each price. The price is generally lower when supply is high.

Demand is the quantity of a good or service consumers are able to buy at each price. The demand is generally low when price is high.

The intersection of the supply and demand lines on a graph determine price.

- | | | | |
|-----|--------|------------|------------|
| | PTS: 1 | DIF: DOK 1 | |
| 18. | ANS: C | PTS: 1 | DIF: DOK 1 |
| 19. | ANS: A | PTS: 1 | |
| 20. | ANS: B | PTS: 1 | |
| 21. | ANS: | | |

In a market economy decisions are made by individuals, not the government. Supply and demand determine price, not the government. The profit motive drives companies to consider individual wants and needs when making economic decisions.

In a command economy the government runs and regulates industries. Choice is limited.

- | | | | |
|-----|--|------------|--|
| | PTS: 1 | DIF: DOK 1 | |
| 22. | ANS: B | PTS: 1 | |
| | STA: Students analyze Louisiana's natural, human, and capital resources and their connection to the past and present economy. | | |
| | LOC: Analyze and explain factors affecting the production and allocation of goods and services in Louisiana, the United States, and the world. | | |
| 23. | ANS: D, E | PTS: 1 | |
| | STA: Students analyze Louisiana's natural, human, and capital resources and their connection to the past and present economy. | | |
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24. ANS:

Answers:

1. Human
2. Capital
3. Natural
4. Natural
5. Human
6. Capital
7. Capital
8. Natural
9. Human

PTS: 1

STA: Students analyze Louisiana's natural, human, and capital resources and their connection to the past and present economy.

LOC: Analyze and explain factors affecting the production and allocation of goods and services in Louisiana, the United States, and the world.

25. ANS:

Scoring Notes:**Scoring Information**

Score Points	Description
3	Student's response correctly provides an explanation of the economic effects on the state using two or more economic terms from the word bank
2	Student's response correctly provides an explanation of the economic effects on the state using one economic term from the word bank
1	Student's response correctly provides a general statement of the economic effects on the state
0	No student response or inaccurate response

Answers:

The severe decline in oil production may result in its scarcity, resulting in higher oil prices. Oil is a nonrenewable resource and will eventually run out. Applying a cost/benefit analysis now to the best use of our limited oil will help make decisions that have the lowest opportunity cost in the future.

PTS: 1

STA: : Students analyze Louisiana's natural, human, and capital resources and their connection to the past and present economy.

LOC: Analyze and explain factors affecting the production and allocation of goods and services in Louisiana, the United States, and the world.