

Democracy and Capitalism

Multiple Choice

Identify the letter of the choice that best completes the statement or answers the question.

- _____ 1. Any system of government in which rule is by the people is called
a. an autocracy. c. a monarchy.
b. a democracy. d. an oligarchy.
- _____ 2. The form of democracy we have in this country is called
a. direct democracy. c. constitutional democracy.
b. socialistic democracy. d. representative democracy.
- _____ 3. Any system of government in which a small group holds power is called
a. a democracy. c. a monarchy.
b. an oligarchy. d. an autocracy.
- _____ 4. The Republicans and Democrats have developed in this country as the major
a. capitalists. c. proletariat.
b. types of government. d. political parties.
- _____ 5. The economic system in which freedom of choice is emphasized is
a. capitalism. c. socialism.
b. command economy. d. communism.
- _____ 6. This man provided a philosophy for capitalism.
a. John Locke c. Adam Smith
b. Benjamin Franklin d. Thomas Hobbes

Short Answer

Critical Thinking

7. **Recognizing Ideologies** Explain how some features of capitalism tend to promote freedom and democracy.

Name: _____

ID: A

**Democracy and Capitalism
Answer Section**

MULTIPLE CHOICE

1. B
2. D
3. B
4. D
5. A
6. C

SHORT ANSWER

7. Answers will vary. The ideas of individual initiative—that each person knows what is best for himself or herself—and freedom of economic choice supports freedom of political choice.