

16. Which of the following were closely tied to the Han and post-Han shift from millet to wheat?
- The breast harness.
 - Moldboard plows.
 - Water-mills.
 - Pasta.
 - (All of the above.)
- e: Each change made the next one possible.*
17. Buddhism was closely associated with which of the following?
- Tea.
 - Water-mills.
 - Pawn shops.
 - “a” and “b,” but not “c.”
 - “a,” “b,” and “c.”
- e: These are a wholesome non-alcoholic stimulant for monastic use and two innovations associated with the time market.*
18. Confucian clan-corporations may have been marginally more likely to divert savings from real investments to disguised consumption than the Buddhist monastic corporations they were modeled on.
- True.
 - False.
- a: A significant amount of Confucian clan-corporation income was diverted into what some economists call political rent-seeking—i.e. to seeking privileged access to government power so as to gain wealth through getting transfer payments rather than by creating more wealth.*
19. Technology is normally the _____ variable in economic growth. _____ is the _____ variable.
- most trivial, Time preference, decisive
 - most important, Savings, least important
 - independent, Savings, dependent
 - dependent, Time preference, independent
 - independent, Time preference, dependent
- d: Technology is not trivial. It sets up the outer limits of production. It is just that the inherent limit on savings/investment imposed by everyone having to have a positive time preference for present consumption makes it certain these outer limits will never be reached.*
20. New technology
- inevitably evokes the savings to use it.
 - is mostly the result of domestic ideas.
 - appears in small, steady increments.
 - stays on the shelf without savings.
 - is independent of its socio-political context.
- d: The four distractors are all common fallacies nurtured by people lacking a background in ideational determinist economic theory.*
21. Interregional transport canals in China
- appeared before irrigation canals.
 - were common by Warring States.
 - were built with bronze digging tools.
 - at first climbed hills via inclined planes
 - began when double-locks appeared.
- d: Drainage ditches to dry out the swamps of B2 likely appeared first. Warring States saw only intra-regional canals. Chinese cast bronze was for a long time too brittle and its production always too closely held by government to make it a suitable for wide use as an industrial metal. Double-locks for canals only began to replace inclined planes by early Song times.*
22. Worldwide, government-built transport and communications techniques
- are never used by men of the market.
 - do not interfere with markets.
 - help markets more than they hurt.
 - distorted early but not recent markets.
 - tend to distort market operations.
- e: Men of the market will use such services since the full costs of doing so are not imputed to them, allowing them to make more money even though most taxpayers and consumers suffer a net loss.*
23. The Chinese wheel-barrow is more efficient than the European design because it is more labor-easing.
- True.
 - False.
- a: The large, centrally located wheel supports almost all of the weight of the load.*
24. The magnetic compass and maps divided into coordinates were
- invented by 11th c. Chinese mariners.
 - invented by 11th c. Chinese Daoists.
 - invented by Han Dynasty Daoists.
 - applied to navigation during Han.
 - Medieval Venetian inventions.
- c: for religious purposes in evaluating the magical suitability for given uses of particular tracts of land. It took another millennium to apply them to sea navigation.*
25. Paper was probably invented by
- Han Dynasty government contractors.
 - Warring States artisans as a wrapping material.
 - the first printers during Tang times.
 - Daoist alchemists seeking immortality.
 - people seeking a substitute for bamboo strips.
- b: That is the only function archaeology has as yet discovered for paper at its earliest appearance. Only during Han and thereafter do we find evidence for paper being used as a writing material.*
26. The ancient *basic* technological model for printing was provided in Han Dynasty China by stone drums bearing intaglio engraving of the texts of the Confucian classics from which rubbings were taken by scholars.
- True.
 - False.
- b: The text on the stone drums was incised, not raised, which wasted ink, and the incised characters were not mirror images. The raised mirror image characters on signature seals provided the basic technology later adopted for printing.*
27. Printing of books from wood blocks
- began under the Mongols' Yuan.
 - began in Sui or Tang times.
 - came after use of metal movable types.
 - was much cheaper than hand copying.
 - was only a bit cheaper than hand copying.
- d: by a factor of one-hundred, even for books produced in small numbers. Secular books began to be produced in significant numbers only during Song.*
28. The first early industrial age industry in China to enjoy what amounted to a world market was
- Chinese porcelain ceramics.
 - Chinese cast iron.
 - Chinese paper.
 - Chinese printed books.
 - Chinese cotton cloth.
- a: Chinese porcelain even reached Late Medieval and Renaissance Europe.*
29. The compound annual absolute growth rate of the economy in 11th c. China was _____; in 18th c. England it was _____.
- 0.75-1%, 1.5%
 - 1.5%, 0.75-1%
 - 1.5%, 2-3%
 - 0.5%, 0.5%
 - 0.2%, 0.2%
- a: The former was the rate characteristic of an “early industrial revolution,” the latter of a “full industrial revolution.” Though the two rates seem close, compounding assures that the latter will rapidly outgrow the former.*
30. The shift from private credit money to public fiat money from Song through mid Ming times
- had little to do with growth of banks.
 - encouraged development of banks.
 - slowed development of modern banks.
 - encouraged private money-forwarding.
 - had little effect on inflation rates.
- c: and perhaps had a significant amount to do with China's lag in shifting from the early to the full industrial stages. There was little need for private money forwarding once public paper money was widely available to replace heavy strings of bronze coins. And yet money forwarding was one of the most profitable businesses of early banks in the West.*
27. Printing of books from wood blocks