

**EXERCISES:** Each paragraph is followed by four statements. Select the statement that best expresses the main idea. Circle the letter of that statement.

1. People often refer to taxes in terms of their being much too high. In reality, they are probably even higher than you think, because in addition to the federal income tax we are now studying, there are many other Federal, State, and local taxes, including sales taxes, inheritance taxes, state income taxes, personal property taxes, real estate taxes, and others. These are just some of the most obvious ones.
  - a. Taxes are much too high.
  - b. We pay more taxes than we may realize.
  - c. Inheritance taxes and real estate taxes are unfair.
  - d. Some taxes are hidden.
2. The fact that electronic computers are now used for data processing has led the general public to believe that it is a mysterious, complicated science and that the computers are giant brains. Both of these ideas are false. A computer is basically just a high-speed adding machine that performs the functions it is told to. If the input data are varied even a little, the computer is unable to operate until it is programmed to accept the variations. The business operations it performs are impressive only because of the extremely high speed of manipulation, but most of these operations have been used for decades. Unlike man, the computer performs repetitive calculations without getting tired or bored.
  - a. A computer is a high-speed adding machine.
  - b. A computer is a mysterious giant brain.
  - c. A computer is impressive because of its high speed.
  - d. A computer is superior to man in many ways.
3. The Louisiana Purchase proved to be one of the shrewdest business pacts in the entire history of the United States. The purchase doubled in the area of the country and provided territory from which fourteen new states were created either wholly or in part. It also gave us control over the mouth of the Mississippi River and opened up the way to foreign trade. Prior to the purchase, the waterway had been blocked by the Spanish, probably with the approval of Napoleon. The land that was bought was rich in timber, minerals, and natural resources of many kinds. Finally, the cost of the transaction was unbelievably low; the total of \$15 million amounted to about four cents an acre.
  - a. The Louisiana Purchase was a very good business deal for the U.S.
  - b. The land bought by the Louisiana Purchase was rich in minerals.
  - c. The land bought by the Louisiana Purchase was very cheap.
  - d. Most Americans were very pleased with the purchase.