

Economic Game Changers: Ludwig von Mises |

Worksheet

Matching

Match the definition in Column A with the term in Column B.

- | | |
|---|-----------------------------|
| _____ Purposeful human action to improve their situation. | a. Hyperinflation |
| _____ Worth a person assigns based on preference | b. Collectivism |
| _____ Society viewed as one entity, not individuals. | c. Free Market |
| _____ Money devaluation caused by excessive printing. | d. Spontaneous Coordination |
| _____ Individual choices creating economic prosperity. | e. Praxeology |
| _____ Private property, voluntary exchange, limited government. | f. Value |

Multiple Choice

- 1. According to Mises, how should the price of bread be determined?**
 - a. By a government committee that estimates the fair value for all citizens.
 - b. By fixed quotas set months in advance, guessing the demand.
 - c. By voluntary exchange, based on private ownership, need, and preference.
 - d. By whichever bakery shouts the loudest in the town square.
- 2. In an economy, spontaneous coordination requires:**
 - a. Price signals and personal incentives.
 - b. Government mandates and fixed production quotas.
 - c. Equal distribution of goods based on need.
 - d. A coin flip to decide who gets what.
- 3. The Austrian School championed:**
 - a. Communism
 - b. Free Markets
 - c. Socialism
 - d. Stoicism
- 4. If a government committee tried to set every price in an economy, what problem would it run into?**
 - a. None; a committee could gather all the same information a market does.
 - b. It would lack the information about scarcity and demand that real prices provide.
 - c. It would set prices too low, but otherwise work fine.
 - d. It would only struggle with expensive goods, not everyday items.

Application

Imagine you were asked to choose every meal, snack, and piece of clothing for a specific classmate for the next several weeks, but could not ask them a single question about what they preferred or needed. Using what you learned about value and a free market in this lesson, explain why this would be difficult, even if you tried your hardest to guess correctly. Then explain



what Mises would say this reveals about why individuals themselves, rather than planners, should make their own choices.

Historical Context

1. What three major events did Mises personally witness that shaped his thinking (one that devastated a continent, one involving his own country's currency, and one involving a neighboring country's economy)?

2. Why didn't von Mises agree with intellectuals of his day regarding public ownership of resources?

Exit Ticket:

- According to Mises, what three things does a society need for lasting prosperity?

Economic Game Changers: Ludwig Von Mises | Answer Key

Matching

Match the definition in Column A with the term in Column B.

- | | |
|--|-----------------------------|
| e. Purposeful human action to improve their situation. | a. Hyperinflation |
| f. Worth a person assigns based on preference | b. Collectivism |
| b. Society viewed as one entity, not individuals. | c. Free Market |
| a. Money devaluation caused by excessive printing. | d. Spontaneous Coordination |
| d. Individual choices creating economic prosperity. | e. Praxeology |
| c. Private property, voluntary exchange, limited government. | f. Value |

Multiple Choice

- 1. According to Mises, how should the price of bread be determined?**
 - a. By a government committee that estimates the fair value for all citizens.
 - b. By fixed quotas set months in advance, guessing the demand.
 - c. ☒ By voluntary exchange, based on private ownership, need, and preference.
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Example Student Response:

Choosing so many things for a classmate without asking them would be hard because I don't know what they like, need, or might even be allergic to. Only they really know what those things are for them. This connects to praxeology, because Mises argued that people make choices intentionally to better their own situation — I can't act for someone else the way they would for themselves. This is why Mises believed a free market leads to greater prosperity than a government-planned economy. As people choose for themselves, businesses are started, innovations emerge, quality improves, etc. History bears this out. Countries that have tried to take these choices away have ended up with scarcity, chaos, and devastation.

Guidance for Grading:

- ☐ The student explains that value is personal and cannot be accurately inferred by others.
- ☐ The student connects the difficulty of planning on someone else's behalf to the idea that individuals act purposefully for themselves, and planning may miss important details.
- ☐ The student connects this scenario to Mises's belief that individual choice leads to greater prosperity than centralized planning.
- ☐ Student writing is clear, grammatically correct, and well-reasoned.

Historical Context

1. What three major events did Mises personally witness that shaped his thinking: one that devastated a continent, one involving his own country's currency, and one involving a neighboring country's economy?

Example answer:

World War I devastated Europe, hyperinflation wiped out Austrian savings, and the Bolsheviks seized control of Russia's economy.

2. Why didn't von Mises agree with intellectuals of his day regarding public ownership of resources?

Example answer:

Mises believed public ownership eliminates real prices, making it impossible to know a resource's true value or use it wisely.

Exit Ticket:

- According to Mises, what three things does a society need for lasting prosperity?

Example answer:

Private property, voluntary exchange, and limited government.