Cooperatives Lessons Pre/Post Test for High School

Name: ________________________________

Cooperatives – Pre/Post Test

Knowledge about cooperative businesses

1. A cooperative business customer who both shops at and invests in the cooperative best describes a:
   a. Patron
   b. Member
   c. Non-member
   d. Investor

2. Cooperatives are owned and controlled by members.
   a. True
   b. False

3. Indicate by placing an “X” under “Yes” or “No” whether any of the following statements describes principles that distinguish cooperative businesses from other business forms in the United States.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Yes</th>
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<tbody>
<tr>
<td>a) Owned by the users of the business</td>
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<td>b) Controlled by the users of the business</td>
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<td>c) Benefits provided to the users of the business</td>
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4. Indicate by placing an “X” under “Yes” or “No” whether you think any of the following statements describes member responsibilities in a cooperative.

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<td>b) Staff the cooperative</td>
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<td>c) Select and evaluate directors</td>
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<td>d) Help obtain new members</td>
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<td>e) Report to the board of directors</td>
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<td>f) Adopt bylaws</td>
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<td>g) Carry out employee performance evaluations</td>
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<td>h) Provide necessary financial capital</td>
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5. A member-created document that describes the government of a cooperative business is:
   a. Bylaws
   b. Internal Revenue Code
   c. Written notice of allocation
   d. The Sherman Act
6. Which of the following groups of people can make major legal and structural changes to a cooperative?
   a. Managers
   b. Members
   c. Non-member customers
   d. Company employees

7. Which two methods do members use to control the activities of a cooperative? (select two letters)
   a. Receiving newsletters
   b. Voting at annual meetings
   c. Expressing their opinions to members of the board of directors
   d. Having a number of votes in proportion to ownership share in the co-op
   e. Joining other cooperatives

8. One example of a policy that members can control is what share of net income the cooperative returns to the member. Why do you think it is important that members be able to control this?

9. Cooperatives do not seek to make income for their members.
   a. True
   b. False

10. List three benefits of cooperative membership
    a. 
    b. 
    c. 

11. Which of the following is a benefit of cooperatives?
    a. Hiring experts to take profits away from local citizens
    b. Providing access to services
    c. Creating income for shareholders only
    d. Reduced power in the marketplace

12. If an individually owned business firm were to fail, it would not be possible for the owner to lose more than he/she invested in the business.
    a. True
    b. False
13. List 4 types of business structures.
   a. 
   b. 
   c. 
   d. 

14. In cooperative corporations, earnings from business with members are taxed at both the corporate and member level.
   a. True
   b. False

15. In a cooperative corporation, management is controlled by a board of directors. Who elects the board of directors? Why is this election method an advantage to cooperative corporations?

16. In a cooperative, capital is generally supplied by investors seeking profits.
   a. True
   b. False

17. In a general business corporation, capital is generally supplied by investors seeking profits.
   a. True
   b. False

18. In individually-owned businesses, the owner is responsible for all losses, but does not receive the income from the business.
   a. True
   b. False

19. One way cooperatives obtain equity is by retaining a portion of the sales revenue for each unit of product members sell.
   a. True
   b. False
20. In an investor-oriented corporation, profits are shared in direct relation to the amount of stock owned.
   a. True
   b. False

21. In a cooperative, net earnings are returned to members based on how much the member patronized the cooperative.
   a. True
   b. False

22. Cooperatives can provide a means for effective political action to growers, small business owners, and other rural residents.
   a. True
   b. False

23. Describe three specific ways in which cooperatives help protect and enhance local economies.
   a.
   b.
   c.

24. Cooperatives are common in such areas of business as: insurance, credit, agriculture, consumer goods, and rural electricity.
   a. True
   b. False

25. Select three types of goods or services from the list below. Provide one example of a cooperative business that provides this good or service.
   a) Banking services
   b) Telecommunications services
   c) Marketing agricultural products
   d) Hardware products
   e) Farm supply products (fertilizer, etc.)
   f) Electricity
   g) Lodging
   h) Sporting goods
   i) Health insurance
26. Name and describe each of the three types of membership structures that cooperatives have.
   a. 
   b. 
   c. 

27. What is a purchasing cooperative and give an example?
Feelings about cooperative businesses

Place an “X” in the box that best describes how much you agree with the following statements.

1. Given a choice between a shareholder-controlled and a member-controlled bank, you would prefer to join a member-controlled bank.

2. Given a choice between a shareholder-controlled and a member-controlled grocery store, you would prefer to shop at a member-controlled grocery store.

3. Given a choice between a shareholder-controlled and a member-controlled phone company, you would prefer to join a member-controlled phone company.

4. Given a choice between a shareholder-controlled and a member-controlled electric company, you prefer to join a member-controlled electric company.

5. You would be interested in learning more about co-ops.

6. You would be interested in working for a co-op.

7. You would be interested in learning which business in your community are co-ops.

8. You would be interested in voting in a co-op someday.

9. If you joined a co-op, you would feel some responsibility for its success.

10. You would rather take advantage of a good deal today than receive a patronage refund at the end of the year.

11. There is little difference between co-ops and non-co-ops.

12. You feel you could accept the responsibilities of a co-op membership.

Interactions with cooperative businesses

Yes  No

Have you used the services of a co-op?

Are you currently a member of a co-op?
Cooperatives Lessons Pre/Post Test for High School

Demographics and respondent characteristics

Circle your gender.

Male  Female

Circle the year of school you are in.

Freshman  Sophomore  Junior  Senior

What is the name of the course in which you participated in this test?
Cooperatives – Pre/Post Test

Knowledge about cooperative businesses

1. A cooperative business customer who both shops at and invests in the cooperative best describes a:
   a. Patron  
   b. Member  
   c. Non-member  
   d. Investor

2. Cooperatives are owned and controlled by members.  
   a. True  
   b. False

3. Indicate by placing an “X” under “Yes” or “No” whether any of the following statements describes principles that distinguish cooperative businesses from other business forms in the United States.

   Yes  No
   a) Owned by the users of the business  X  
   b) Controlled by the users of the business  X  
   c) Benefits provided to the users of the business  X

4. Indicate by placing an “X” under “Yes” or “No” whether you think any of the following statements describes member responsibilities in a cooperative.

   Yes  No
   a) Understand the cooperative  X  
   b) Staff the cooperative  X  
   c) Select and evaluate directors  X  
   d) Help obtain new members  X  
   e) Report to the board of directors  X  
   f) Adopt bylaws  X  
   g) Carry out employee performance evaluations  X  
   h) Provide necessary financial capital  X

5. A member-created document that describes the government of a cooperative business is:
   a. Bylaws  
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6. Which of the following groups of people can make major legal and structural changes to a cooperative?
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   a. Receiving newsletters
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   d. Having a number of votes in proportion to ownership share in the co-op
   e. Joining other cooperatives

8. One example of a policy that members can control is what share of net income the cooperative returns to the member. Why do you think it is important that members be able to control this?

   Since members control this, they are able to decide how much financial benefit they want today or to save for the future. It also assures that the preferences of current and future can be met.

9. Cooperatives do not seek to make income for their members.
   a. True
   b. False

10. List three benefits of cooperative membership
    a. Access to supplies at reasonable cost
    b. Increased power in the marketplace
    c. A share in the co-op’s earnings
    d. Political action
    e. Enhancement and protection of local economy

11. Which of the following is a benefit of cooperatives?
    a. Hiring experts to take profits away from local citizens
    b. Providing access to services
    c. Creating income for shareholders only
    d. Reduced power in the marketplace

12. If an individually owned business firm were to fail, it would not be possible for the owner to lose more than he/she invested in the business.
    a. True
    b. False
13. List 4 types of business structures.
   a. Individually-owned businesses
   b. Partnerships
   c. General business corporations
   d. Limited liability company
   e. Cooperative corporation

14. In cooperative corporations, earnings from business with members are taxed at both the corporate and member level.
   a. True
   b. False

15. In a cooperative corporation, management is controlled by a board of directors. Who elects the board of directors? Why is this election method an advantage to cooperative corporations?

   Members elect the board of directors. 
   This method assures that the preferences of current users are represented. It also assures that current users of the cooperative serve as its directors.

16. In a cooperative, capital is generally supplied by investors seeking profits.
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22. Cooperatives can provide a means for effective political action to growers, small business owners, and other rural residents.
   a. True
   b. False

23. Describe three specific ways in which cooperatives help protect and enhance local economies.
   a. Local towns are less likely to lose jobs with co-ops.
   b. Co-ops generate jobs.
   c. Co-ops generate taxes that help finance schools and other community services.
   d. Local people make decisions about the company.
   e. No one person can close the business or take it from your area.

24. Cooperatives are common in such areas of business as: insurance, credit, agriculture, consumer goods, and rural electricity.
   a. True
   b. False

25. Select three types of goods or services from the list below. Provide one example of a cooperative business that provides this good or service. (Example answers in bold)
   a) Banking services  (Any credit union, CoBank, Farm Credit)
   b) Telecommunications services  (Any local telecommunications co-op)
   c) Marketing agricultural products  (Land O’Lakes, Welch’s, CHS, Cass-Clay)
   d) Hardware products  (Ace Hardware, True Value)
   e) Farm supply products (fertilizer, etc.)  (Any local farm supply co-op)
   f) Electricity  (Any local electric co-op)
   g) Lodging  (Best Western)
   h) Sporting goods  (REI)
   i) Health insurance  (Blue Cross/Blue Shield, Health Partners)

26. Name and describe each of the three types of membership structures that cooperatives have.
   a. Centralized cooperatives have individuals and businesses as their members
   b. Federated cooperatives have other cooperatives as their members
   c. Mixed cooperatives have both individuals and other cooperatives as members

27. What is a purchasing cooperative and give an example? A purchasing cooperative provides access to volume discounts when purchasing inputs for the goods and services it provides. An example of this type of cooperative is Ace Hardware.
Feelings about cooperative businesses

Place an “X” in the box that best describes how much you agree with the following statements.

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