



Carefully read the excerpt below, taken from an article in the Wall Street Journal, then answer the four questions that follow.

Is Engine of Innovation in Danger of Stalling?
By Christopher Mims

1 This is a special time for technology. Five of the world's seven most valuable companies are U.S. tech firms. But the core innovations underlying Apple Inc., Alphabet Inc., Microsoft Corp., Amazon.com Inc. and Facebook Inc. are decades old.

5 The transistor was born in the 1940s at AT&T's Bell Labs. The internet was nurtured by the U.S. Defense Department in the 1960s. Many important, but less foundational inventions, such as GPS, were products of the Cold War.

10 Since then, the funding of research and development has shifted dramatically. Support from the federal government has waned, from nearly 2% of gross domestic product during the 1960s to about 0.6% today. Over the same time, corporate R&D has grown to nearly 2% of GDP, from less than 0.6% of GDP in the age of the Apollo program.

For U.S. taxpayers, that carries a benefit; the costs of innovation are being borne by the shareholders who will reap the benefits. But such broad statistics mask a more-complicated reality: Not all R&D is created equal.

15 Think of innovation as a pipeline that starts with basic discoveries of things like microwaves or nuclear fission. Those sometimes lead to inventions, such as radar and nuclear power, respectively.

Most modern corporate R&D, by necessity, focuses on the other end of the pipeline, bringing to market things that are ready to be commercialized.

20 "We used to say we need public investment in R&D because companies only worry about the next quarter," says Arati Prabhakar, director of the Defense Advanced Research Projects Agency, also known as Darpa, the arm of the Pentagon that laid the groundwork for the internet.

Source Reference: <http://www.wsj.com/articles/is-engine-of-innovation-in-danger-of-stalling-1479668795?mod=ST1>

1. Which of the following statements would the reporter of this article most likely agree with?

- A) Consumers are investing in technology-based corporations less, resulting in less development research
- B) Companies are focused on short-term profits, rather than long-term investments and research
- C) The technology industry is becoming unpopular
- D) Research and development decrease the net value of a company

2. In line 4, the word "nurtured" most nearly means

- A) Cherished

- B) Encouraged
- C) Created
- D) Uncovered

3. The reporter's tone in this article establishes a mood of

- A) Concern
- B) Anger
- C) Disbelief
- D) Dismissal

Answer Key:

- 1. B
- 2. B
- 3. A