

1. Multiple Choice: Choose the correct answer.

1. Rubies, sapphires and emeralds are found in which layer of the Earth's surface?

- a) **crust** b) inner core c) outer core

2. Where are diamonds found?

- a) low-pressure areas b) **high-pressure areas**

3. Diamonds are made of what element?

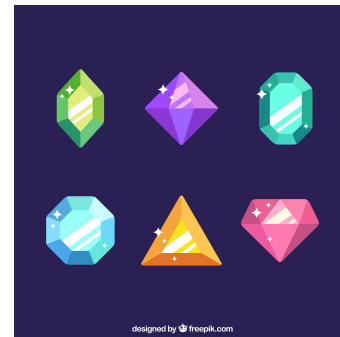
- a) **Carbon** b) Silicon c) Aluminium

4. Diamonds were created during which of the following periods:

- a) **3.5-1.5 billion years** b) 1.5 billion years to now

5. Diamonds are one of the world's hardest elements and are used in the making of:

- a) weapons b) tanks c) airplanes d) **all of the above**



2. Complete the sentences from the word bank.

Backlash Perverse Touchstone Supply Conspiracy Denigrate
 Monopoly Opaque Minute Stockpile

- Under the De Beers' empire, diamonds transformed into a cultural touchstone, a benchmark for love.
- Before the invention of lab-grown diamonds, one company controlled 90% of the world's supply of diamonds.
- To take advantage of the growing value of diamonds, many companies and governments wanted to keep a stockpile of diamonds.
- When one company exclusively produces and sells a product, it has a monopoly in the market.
- Diamond companies faced backlash when consumers learned their product sales fueled war in Africa.
- Diamonds that appear to be opaque tend to have a lower grade on the clarity scale.
- Companies with a small supply of diamonds planned a conspiracy to price fix the precious stone.
- Many women have a perverse fascination with limited edition jewelry, desiring it more even if it gets outrageously expensive.
- Local diamond stores used a minute version of De Beers' famous advertisement "Diamonds are Forever" to appeal to their communities.
- Famous brands have tried to denigrate the value of their competitor's products through bad press and lawsuits.

3. Explain the 4 C's when rating a perfect diamond:

Cut	Color	Clarity	Carat
<u>Cut not too flat or not too deep</u>	<u>Colorless or bright color, not in between</u>	<u>Free of other mineral inclusions</u>	<u>A unit of weight for precious stones.</u>

4. Find a movie or a piece of music that uses a symbol or an object to represent an intangible idea. (eg. A diamond represents love in Gone With the Wind.) It can be recorded in any language.

Answers may vary.

Movie/Song Name: _____

Produced by: _____

Year Released: _____

Quote a phrase or sentence from the movie or song and discuss how the object represents an abstract idea:.....

5. Short Answers: Make a hypothesis about the following occurrences or trends. There is no right or wrong answer.

1. Do diamonds retain their value if you try to sell it?

Diamonds do not hold their value. Some diamond experts suggest that only 25-30% of the price of what you paid is retained when you try to sell it.

2. Why do you think that the campaign to get women to buy themselves a ring failed?

Women did not find it necessary to have both a ring on the left hand, from their spouse, and another one on their right-hand.

3. Why do men think of purchasing diamonds as a mark of adulthood?

Men reported that it is a symbolic milestone, signifying that the person is now capable of making a significant purchase, and be able to give it to someone.

4, Why do you think that the campaign to get women to buy men's wedding rings did not succeed?

There are stereotypes about heterosexual relationships that are ingrained in our society. For example, men should be the ones to chase after the women they love. A lot of heterosexual men want to impress their partners by showing them their ability to take care of them as a breadwinner.

6. Answer the following questions with at least two to three reasons.

1. Explain why the slogan “A diamond is forever” was one of the world’s most successful advertisements.
Diamonds were romanticized through film and art in this campaign. Diamonds became associated as the symbol of love in the movie Gone of the Wind. Diamond engagement rings became popular when renowned artists such as Pablo Picasso began to depict them in his art. Even though rings were already common engagement gifts since the Middle Ages, the giving of a diamond ring was a product of modern-day marketing.
2. “A diamond should be equal to 2-3 month’s pay.” What was the impact of this ad campaign?
The ad campaign linked the amount a man spent on a diamond to his professional success. Men felt obliged to purchase a diamond ring for their significant other. To feel good about themselves, they must buy the biggest diamond ring they could afford. This fueled a perverse idea that that self-worth was tied to spending.
3. What is the meaning of the term “blood diamond”?
Diamond sales fueled the purchase of weapons by rebel groups in Africa. They raised billions of dollars from diamond sales to fund armed conflicts in many African nations.
4. What is a Veblen good? What are the apparent ironies of such goods?
Veblen goods signal value through their price. For example, Birkin Bags and Cristal champagnes can become more expensive but still retain the interest of their potential consumers. These goods create a perverse setting in that a price increase leads to a greater desire for that product.
5. Why did De Beers create a “Real is Rare” campaign and then decide to launch their lab-grown diamonds?
De Beers set a low price point on lab-grown diamonds while declaring that these stones were not natural products found in the Earth’s crust. These actions were a clear effort to denigrate the value of lab-grown products.

7. Essay/ Discussion Questions

1. What is the connection between diamonds and love?
2. In the past two hundred years, what marketing campaigns created new cultural norms?
3. How did capitalism drive the demand for certain products that are popular now in the 21st century?
4. Select a company that had a near-monopoly in its market (other than De Beers) and discuss three strategies on how it became a significant player.