Macroeconomics.d

1. Which of the following is not a topic of macroeconomics?
2. The two major reasons for the tremendous growth in output in the U.S. economy over the last 125 years are
3. The main reason that the United States has such a high standard of living is
4. Which of the following factors are most important for determining the economic growth of a country?
5. Average labor productivity is the
6. In analyzing macroeconomic data during the past year, you have discovered that average labor productivity fell, but total output increased. What was most likely to have caused this?
7. In which of the following periods did average labor productivity in the United States grow the fastest?
8. The most direct effect of an increase in the growth rate of average labor productivity would be an increase in
9. Short-run contractions and expansions in economic activity are called
10. When national output rises, the economy is said to be in
11. When national output declines, the economy is said to be in
12. Which of the following best describes a typical business cycle?
13. The accounting framework used in measuring current economic activity is called
14. The three approaches to measuring economic activity are the
15. The value of a producer's output minus the value of the inputs it purchases from other producers is called the producer's
16. The value added of a producer is the
17. The product approach to calculating GDP

18 NIPA data

19 NIPA annual revisions usually occur

20 NIPA benchmark revisions are those that

21 When the NIPA data incorporate changes in data-construction methods or a new base year, the revisions are called

22 The Bigdrill Company drills for oil, which it sells for $200 million to the Bigoil Company to be made into gas. The Bigoil Company’s gas is sold for a total of $600 million. What is the total contribution to the country's GDP from companies Bigdrill and Bigoil?

23 Sam's Semiconductors produces computer chips, which it sells for $10 million to Carl's Computer Company (CCC). CCC's computers are sold for a total of $16 million. What is the value added of CCC?

24 The Compagnie Naturelle sells mounted butterflies, using butterfly bait it buys from another firm for $20,000. It pays its workers $35,000, pays $1000 in taxes, and has profits of $3000. What is its value added?

25 A mathematical expression relating the amount of output produced to quantities of capital and labor utilized is the

26 In the production function Y = AF(K, N), A is …, K is …, and N is …

27 In the production function Y = AF(K, N), total factor productivity is

28 Suppose the economy's production function is Y = AK^0.3N0.7. If K = 2000, N = 100, and A = 1, then Y = 246. If K and N both rise by 20%, and A is unchanged, by how much does Y increase?

29 Suppose the economy's production function is Y = AK^0.3N0.7. If K = 2000, N = 100, and A = 1, then Y = 246. If K rises by 10%, and A and N are unchanged, by how much does Y increase?

30 Suppose the economy's production function is Y = AK^0.3N0.7. If K = 2000, N = 100, and A = 1, then Y = 246. If A rises by 10 percent, and K and N are unchanged, by how much does Y increase?

31 Suppose the economy's production function is Y = AK^0.3N0.7. If K = 2000, N = 100, and A = 1, then Y = 246. If K and N each increase by 5 percent, and A is unchanged, by how much does Y increase?

32 If Y = A × N × (75 + K/N), where K = 1000, N = 20, and A = 10, what happens if K doubles and N doubles?

33 Suppose the economy's production function is Y = AK^0.3N0.7. When K = 1000, N = 50, and A= 15, what is Y?

34 Suppose that Freedonia has GDP equal to 2000 million, the capital stock is 1700 million, and the number of employees equals 70 million. The production function is Y = AK^0.25N0.75. Total factor productivity of the economy is approximately equal to

35 Suppose that the production function is given by Y = AK^0.25N0.75. Between Year 1 and Year 2, total factor productivity of Freedonia's economy increased by

36 The two main characteristics of the production function are

37 If the marginal product of capital doesn't change as the amount of capital increases, a figure showing the relationship between output and capital

38 The marginal product of capital is the increase in

39 Desired national saving equals

40 The distinction between saving and savings is that saving is , while savings is

41 With no inflation and a nominal interest rate (i) of .03, a person can trade off one unit of current consumption for ...units of future consumption

42 The desire to have a relatively even pattern of consumption over time is known as

43 An expensive and unexpected car repair causes Cathy to reduce her spending this year by $1000 and next year by $1000, as well. She spreads the cost of the repair over time because of

44 The government a new source of revenue from its ownership of natural resources that is likely to be permanent. As a result, the government surprises everyone by cutting taxes. In response, Jeff increases his spending this year by $1000 and next year by $1000, as well. He spreads his increased spending over time because of

45 When a person gets an increase in current income, what is likely to happen to consumption and saving?

46 Last year, Linus earned a salary of $25,000 and he spent $24,000, thus saving $1000. At the end of the year, he received a bonus of $1000 and he spent $500 of it, saving the other $500. What was his marginal propensity to consume?

47 Rosencrantz's base pay last year was $50,000 and he spent $48,000, thus saving $2,000. At the end of the year, he received a bonus of $2,000 and he spent $200 of it, saving the other $1,800. What is his marginal propensity to consume?

48 The fraction of additional current income that a person consumes in the current period is known as the

49 An increase in expected future output while holding today's output constant would

50 A decrease in the economy's expected future income while holding today's income constant would

51 In forecasting consumer spending using surveys of consumer confidence, research suggests that

52 When a person receives an increase in wealth, what is likely to happen to consumption and saving?

53 Which of the following transactions would not be included in the current account of the home country?

54 Net exports of goods are known as

55 If a country's exports of goods exceed its imports of goods, it has a

56 If France has a trade deficit, then

57 If all international factor payment flows are investment income, then net investment income from abroad equals

58 If the United States donates footballs to Japan, how is the transaction recorded on the U.S. balance of payments accounts?

59 If the United States sells computers to Russia, and uses the proceeds to buy shares of stock in Russian companies, the U.S. trade balance ...and the U.S. financial account balance ...

60 The current account balance consists of

61 The sum of net exports of goods and services, net income from abroad, and net unilateral transfers equals

62 The difference between the current account balance and net exports is

63 If a U.S. firm buys tulips from a Dutch firm and the Dutch firm uses the dollars it gets to buy U.S. stocks, the U.S. trade balance ...and the U.S. financial account ...

64 If a U.S. company imports 10 Toyotas from Japan at $15,000 each, and the Japanese company buys airline tickets on a U.S. airline with the money, how does this affect the U.S. balance of payments accounts?

65 Suppose a wealthy Canadian donates $10 million to charities in Mexico. Mexican net exports … and the current account balance …

66 If a French company exports $2 million of machinery to Italy and French tourists spend $2 million at Italian beaches, the French trade balance , and the French financial account balance …

67 Between 1870 and 2010, among the United States, Germany, Japan, and Australia, … grew at the fastest rate and … grew at the slowest rate

68 The elasticity of output with respect to capital

69 Suppose the current level of output is 5000. A 10% increase in productivity would increase the current level of output to

70 Suppose the current level of output is 5000 and the elasticity of output with respect to capital is 0.4. A 10% increase in capital would increase the current level of output to

71 Suppose the current level of output is 5000 and the elasticity of output with respect to labor is 0.7. A 10% increase in labor would increase the current level of output to

72 Suppose the current level of output is 5000. If the elasticities of output with respect to capital and labor are 0.3 and 0.7, respectively, a 10% increase in capital combined with a 5% increase in labor and a 5% increase in productivity would increase the current level of output to

73 Over the past year, productivity grew 2%, capital grew 1%, and labor grew 1%. If the elasticities of output with respect to capital and labor are 0.2 and 0.8, respectively, how much did output grow?

74 Over the past year, productivity grew 1%, capital grew 2%, and labor grew 2%. If the elasticities of output with respect to capital and labor are 0.3 and 0.7, respectively, how much did output grow?

75 Over the past year, productivity grew 1%, capital grew 0%, and labor grew 5%. If the elasticities of output with respect to capital and labor are 0.4 and 0.6, respectively, how much did output grow?

76 Over the past year, productivity grew 1.8%, capital grew 2%, and labor grew 1%. If the elasticities of output with respect to capital and labor are 0.2 and 0.8, respectively, how much did output grow?

77 Over the past year, output grew 4%, capital grew 2%, and labor grew 1%. If the elasticities of output with respect to capital and labor are 0.3 and 0.7, respectively, how much did productivity grow?

78 The growth accounting equation is

79 The equation, $\Delta Y/Y = \Delta A/A + aK\Delta K/K + aN\Delta N/N$, is known as

80 If capital and labor each grow 5% in a year, the elasticities of output with respect to capital and labor sum to one, and productivity grows 2% in the year, by how much does output grow during the year?

81 Total factor productivity growth is that part of economic growth due to

82 A system in which people trade goods they don't want to consume for goods they do want to consume is called

83 A disadvantage of the barter system is that

84 The use of money is more efficient than barter because the introduction of money

85 In economics, money refers to

86 The following are all functions of money except

87 Money's primary role in the economy comes from the benefits of lowering transactions costs and allowing specialization. This function of money is called

88 For something to satisfy the medium-of-exchange function of money, it must be

89 Which of the following best illustrates the medium of exchange function of money?

90 In some countries, prices in stores are listed in terms of U.S. dollars, rather than in units of the local currency. That's most likely because

91 In some countries the U.S. dollar is used as a unit of account rather than the local currency. The primary reason for this is that

92 The number of units of one good that trade for one unit of alternative goods can be determined most easily when

93 A good that is used as a medium of exchange as well as being a consumption good is called

94 Why do people keep currency in their pockets when bank deposits pay interest?

95 One of moneys primary roles in the economy comes from the use of money to transfer purchasing power to the future. This role of money is called

96 Which of the following measures is the best measure of money as a medium of exchange?

97 One of the first organizations to investigate the business cycle was

98 The entire sequence of a decline in aggregate economic activity followed by recovery, measured from peak to peak or trough to trough is a

99 A detailed history of business cycles is known as a

100 The dates of turning points are determined by a committee from the

101 Business cycles all display the following characteristics except

102 The trough of a business cycle occurs when hits its lowest point

103 The low point in the business cycle is referred to as the

104 When aggregate economic activity is increasing, the economy is said to be in

105 The high point in the business cycle is referred to as the

106 When aggregate economic activity is declining, the economy is said to be in

107 Peaks and troughs of the business cycle are known collectively as

108 Turning points in business cycles occur when

109 Who officially determines whether the economy is in a recession or expansion?

110 Which group within the National Bureau of Economic Research officially determines whether the economy is in a recession or expansion?

111 Research on the effects of recessions on the real level of GDP shows that