

### Question 1

The average level of expected future income is:

- A) permanent income.
- B) net income.
- C) disposable income.
- D) after-tax income.

Answer: <https://biology-forums.com/index.php?topic=382285>

### Question 2

The record of a country's transactions in goods, services, and assets with the rest of the world is its balance of payments.

- A) True
- B) False

Answer: <https://biology-forums.com/index.php?topic=384054>

### Question 3

Even if trade were associated with an increase in unemployment, proponents of free trade say the correct tool for fighting unemployment are \_\_\_\_\_ policies.

- A) fiscal and monetary
- B) protectionist
- C) tariff and quota
- D) socialist

Answer: <https://biology-forums.com/index.php?topic=384162>

### Question 4

The case for \_\_\_\_\_ is based on the theory of \_\_\_\_\_ advantage.

- A) trade barriers; comparative
- B) trade barriers; absolute
- C) free trade; comparative
- D) free trade; absolute

Answer: <https://biology-forums.com/index.php?topic=384018>

### Question 5

If the labor force is 200 and employment is 180, then the unemployment rate is:

- A) 18%.
- B) 20%.
- C) 90%.
- D) 10%.

Answer: <https://biology-forums.com/index.php?topic=383118>

### Question 6

The equation  $[Y = C + I + G]$  represents equilibrium in the \_\_\_\_\_ market.

- A) money
- B) bond
- C) goods
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=382271>

### Question 7

Measuring the rate of change in economic activity determines whether an economy is:

- A) expanding or contracting.
- B) expanding, but not if it is contracting.
- C) contracting, but not if it is expanding.
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=383363>

### Question 8

When input prices adjust quickly, the multiplier is smaller.

- A) True

B) False

Answer: <https://biology-forums.com/index.php?topic=382995>

### Question 9

Planned aggregate expenditure increases when \_\_\_\_\_ in the income-expenditure model.

- A) consumption is excluded
- B) the government sector is included
- C) the government sector is excluded
- D) investment is excluded

Answer: <https://biology-forums.com/index.php?topic=383020>

### Question 10

The portion of a corporation's \_\_\_\_\_ that the firm pays out each period to shareholders is known as dividends.

- A) stocks
- B) profits
- C) revenues
- D) bonds

Answer: <https://biology-forums.com/index.php?topic=382854>

### Question 11

If the Fed increases the money supply to fight recession, a floating exchange rate will aid the Fed in fighting recession because:

- A) as the money supply is increased, the interest rate will decrease, and the price of U.S. exports and U.S. imports will rise.
- B) as the money supply is increased, the interest rate will decrease, and the price of U.S. exports will fall and the price of U.S. imports will rise.
- C) as the money supply is increased, the interest rate will decrease, and the price of U.S. exports will rise and the price of U.S. imports will fall.
- D) as the money supply is increased, the interest rate will decrease, and the price of both U.S. exports and U.S. imports will fall.

Answer: <https://biology-forums.com/index.php?topic=384134>

### Question 12

A household that spends more than it receives in income during a given period is:

- A) running a deficit.
- B) dissaving.
- C) receiving transfer payments.
- D) saving.

Answer: <https://biology-forums.com/index.php?topic=383252>

### Question 13

The value of a \$5,000 payment is highest if you receive that payment:

- A) in two years.
- B) in three years.
- C) in four years.
- D) in one year.

Answer: <https://biology-forums.com/index.php?topic=383775>

### Question 14

Which of the following is a source of increased productivity?

- A) advances in managerial knowledge.
- B) government regulations.
- C) taxation.
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=383213>

### Question 15

Between 1950 and 1990, real GDP \_\_\_\_\_ at a faster rate than population, so real GDP per capita \_\_\_\_\_.

- A) decreased; decreased
- B) increased; increased
- C) increased; decreased
- D) decreased; increased

Answer: <https://biology-forums.com/index.php?topic=383338>

### Question 16

Things that a firm owns that have \_\_\_\_\_ are classified as assets.

- A) negative value
- B) no value
- C) worth
- D) any of the above

Answer: <https://biology-forums.com/index.php?topic=383544>

### Question 17

Holding everything else constant, the less wealth a household has:

- A) the less it will consume, both now and in the future.
- B) the more it will consume, both now and in the future.
- C) the less it will consume now, but the more it will consume in the future.
- D) the more it will consume now, but the less it will consume in the future.

Answer: <https://biology-forums.com/index.php?topic=382361>

### Question 18

If the MPS is .0.5, the MPC is:

- A) 1.5.
- B) -0.5.
- C) 0.5.
- D) 1.

Answer: <https://biology-forums.com/index.php?topic=382787>

### Question 19

Which of the following is included in M2?

- A) U.S. Treasury bonds
- B) commercial paper
- C) stocks
- D) savings accounts

Answer: <https://biology-forums.com/index.php?topic=383483>

### Question 20

The productivity of an input is the:

- A) per capita cost of an input.
- B) net worth of the input.
- C) amount of output produced per unit of input.
- D) sum of the total output produced by all inputs.

Answer: <https://biology-forums.com/index.php?topic=383101>