

Question 1

A reverse Phillips Curve would consist of a

- A) negative relationship between deviations from trend in real and nominal interest rates.
- B) positive relationship between deviations from trend in real and nominal interest rates.
- C) negative relationship between deviations from trend in the level of prices and the level of aggregate economic activity.
- D) positive relationship between deviations from trend in the level of prices and the level of aggregate economic activity.

Answer: <https://biology-forums.com/index.php?topic=358380>

Question 2

Business cycle models with flexible prices

- A) the only business cycle models in use.
- B) are all non-Keynesian models.
- C) were first introduced in the General Theory of Employment, Interest, and Money.
- D) none of the above.

Answer: <https://biology-forums.com/index.php?topic=358920>

Question 3

The participation rate is

- A) a leading variable
- B) countercyclical
- C) more variable than GDP
- D) procyclical

Answer: <https://biology-forums.com/index.php?topic=358576>

Question 4

What is a characteristic of human capital?

- A) rapid accumulation
- B) concavity
- C) private ownership
- D) rivalry

Answer: <https://biology-forums.com/index.php?topic=358683>

Question 5

An increase in lifetime wealth

- A) decrease current labor supply and decrease current consumption demand.
- B) increase current labor supply and increase current consumption demand.
- C) increase current labor supply and decrease current consumption demand.
- D) decrease current labor supply and increase current consumption demand.

Answer: <https://biology-forums.com/index.php?topic=358814>

Question 6

If changes in economic policy could cause the growth rate of real GDP to increase by 1% per year for 100 years, then GDP would be _____ % higher after 100 years than it would have been otherwise.

- A) 2.7
- B) 2.0
- C) 3.8
- D) 1.3

Answer: <https://biology-forums.com/index.php?topic=358599>

Question 7

In the model of public goods

- A) there is a production function.
- B) GDP is fixed.
- C) public goods production is proportional to labor input.
- D) labor supply matters.

Answer: <https://biology-forums.com/index.php?topic=358565>

Question 8

The consumer's work-leisure choice problem focuses on how a consumer's work-leisure decision is affected by the consumer's

- A) preferences and constraints.
- B) productivity and psychology.
- C) psychology and preferences.
- D) preferences and productivity.

Answer: <https://biology-forums.com/index.php?topic=358403>

Question 9

An economy without monetary exchange is called

- A) a socialist economy.
- B) a barter economy.
- C) an autarky economy.
- D) a primitive economy.

Answer: <https://biology-forums.com/index.php?topic=358432>

Question 10

Suppose we have the following information about a furniture maker: furniture sales \$100M, wood purchases \$60M, wages \$25M, tax on profits \$5M, profits \$10M. What is the contribution to GDP of this company using the product approach?

- A) \$15M.
- B) \$100M.
- C) \$60M.
- D) \$40M.

Answer: <https://biology-forums.com/index.php?topic=358257>

Question 11

At the endowment point, we have the property that

- A) $y = y'$.
- B) $c = y - t$.
- C) $y - t = y' - t'$.
- D) $c = c'$.

Answer: <https://biology-forums.com/index.php?topic=358724>

Question 12

The introduction of sweep accounts

- A) had no effect.
- B) caused a reduction in the demand for money.
- C) was an open market purchase.
- D) was a failure.

Answer: <https://biology-forums.com/index.php?topic=358907>

Question 13

In the monetary small open-economy model with a flexible exchange rate, an increase in the world real interest rate

- A) decreases domestic output and decreases the nominal exchange rate, as long as real money demand is much more responsive to real income than to the real interest rate.
- B) increases domestic output and increases the nominal exchange rate, as long as real money demand is much more responsive to real income than to the real interest rate.
- C) decreases domestic output and increases the nominal exchange rate, as long as real money demand is much more responsive to real income than to the real interest rate.
- D) increases domestic output and decreases the nominal exchange rate, as long as real money demand is much more responsive to real income than to the real interest rate.

Answer: <https://biology-forums.com/index.php?topic=359039>

Question 14

Distorting taxes can invalidate Ricardian equivalence because

- A) they are inferior to lump-sum taxes.
- B) they confuse consumers about the need for government to repay its debt.
- C) they are more popular, politically, than lump-sum taxes.
- D) alternative ways of collecting the same tax revenue produce different amounts of lost welfare.

Answer: <https://biology-forums.com/index.php?topic=358774>

Question 15

The structure of a macroeconomic model involves all of the following except

- A) the available technology.
- B) the preferences of consumers.
- C) the available resources.
- D) the behavior of consumers and firms.

Answer: <https://biology-forums.com/index.php?topic=358185>

Question 16

In a general equilibrium model

- A) all markets but one clear.
- B) there are no fluctuations.
- C) all prices are endogenous.
- D) all prices are exogenous.

Answer: <https://biology-forums.com/index.php?topic=358512>

Question 17

In U.S. history, use of a commodity-backed paper currency is associated with the

- A) Confederacy during the Civil War.
- B) gold standard.
- C) Free Banking Era.
- D) Bretton Woods Agreement.

Answer: <https://biology-forums.com/index.php?topic=359072>

Question 18

NIPA means

- A) National Income and Product Accounts.
- B) National Investment and Productivity Approach.
- C) Neutral Increase of Production Allocation.
- D) New Income and Price Accounting.

Answer: <https://biology-forums.com/index.php?topic=358241>

Question 19

Why do consumers benefit from pay-as-you-go social security?

- A) With sufficiently high population growth, many young contribute to the benefits of the old.
- B) It is a better way than taxes to finance the government.
- C) It forces people to save more than they would otherwise.
- D) It keeps inflation in check as money is redistributed.

Answer: <https://biology-forums.com/index.php?topic=358800>

Question 20

In Solow's exogenous growth model, the principal obstacle to continuous growth in output per capita is due to

- A) the declining marginal product of capital.
- B) limits in the ability of government policymakers.
- C) too little savings.
- D) the declining marginal product of labor.

Answer: <https://biology-forums.com/index.php?topic=358649>