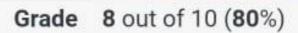
ECON132 Online Quiz Ch29

By: Mohammed Mobarak





Question 1

Incorrect

Mark 0 out of 2

Flag question

In which of the following situations for an open mixed economy will the level of GDP contract?

Select one:

a. When S + M + T exceeds Ig + X + G

b. When Ig + X + T exceeds C + S + M

c. When C + S + M exceeds Ig + X + T

d. When Ig + X + G exceeds S + M + T

×

The correct answer is: When S + M + T exceeds Ig + X + G



Question 2

Correct

Mark 2 out of 2

Flag question

The investment schedule shows the:

Select one:

- a. Rate of interest that business firms must pay when they make investments in capital goods
- b. Positive relationship between the expected rate of return and the quantity of investment demanded
- c. Inverse relationship between the expected rate of return and the quantity of investment demanded
- d. Amounts business firms collectively intend to invest at each possible level of GDP

The correct answer is: Amounts business firms collectively intend to invest at each possible level of GDP

Ouestion 3

Correct

Mark 2 out of 2

P Flag question

To close an inflationary expenditure gap of \$20 billion in an economy with a marginal propensity to consume of 0.8, it would be necessary to:

Select one:

- a. Decrease the aggregate expenditures schedule by \$4 billion
- b. Increase the aggregate expenditures schedule by \$4 billion
- c. Decrease the aggregate expenditures schedule by \$20 billion
- d. Increase the aggregate expenditures schedule by \$20 billion

The correct answer is: Decrease the aggregate expenditures schedule by \$20 billion





Mark 2 out of 2

Flag question

Saving is \$15 billion at the \$125 billion equilibrium level of output in a closed, private economy. Actual investment must be:

Select one:

- a. Greater than saving
- b. Less than saving
- 🎱 c. Equal to \$15 billion 🗸
- d. Equal to \$125 billion

The correct answer is: Equal to \$15 billion

Question 5

Correct

Mark 2 out of 2

Flag question

Planned investment is \$20 billion and saving is \$15 billion when GDP in the economy is \$180 billion. The economy is:

Select one:

- a. In disequilibrium and its GDP will decrease
- b. At the equilibrium level of GDP
- c. In disequilibrium and its GDP will increase
- d. Having a GDP level that is greater than its aggregate expenditures

The correct answer is: In disequilibrium and its GDP will increase