

ECON132  
Online Quiz Ch30

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Question 1

Correct

Mark 1 out of 1

Flag question

In which of the following sets of circumstances can we confidently expect inflation?

Select one:

- a. aggregate supply and aggregate demand both increase
- b. aggregate supply and aggregate demand both decrease
- c. aggregate supply decreases and aggregate demand increases ✓
- d. aggregate supply increases and aggregate demand decreases

The correct answer is: aggregate supply decreases and aggregate demand increases

Question 2

Correct

Mark 1 out of 1

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Other things equal, an improvement in productivity will:

Select one:

- a. shift the aggregate demand curve to the left.
- b. shift the aggregate supply curve to the left.
- c. shift the aggregate supply curve to the right. ✓
- d. increase the equilibrium price level.

The correct answer is: shift the aggregate supply curve to the right.

Question 3

Correct

Mark 1 out of 1

Flag question

If aggregate demand increases and aggregate supply decreases, the price level:

Select one:

- a. will decrease, but real output may increase, decrease, or remain unchanged.
- b. will increase, but real output may increase, decrease, or remain unchanged. ✓
- c. and real output will both increase.
- d. and real output will both decrease.

The correct answer is: will increase, but real output may increase, decrease, or remain unchanged.

Question 4

Correct

Mark 1 out of 1

Flag question

Other things equal, a decrease in the real interest rate will:

Select one:

- a. expand investment and shift the AD curve to the right. ✓
- b. expand investment and shift the AD curve to the left.
- c. reduce investment and shift the AD curve to the left.
- d. reduce investment and shift the AD curve to the right.

The correct answer is: expand investment and shift the AD curve to the right.

Question 5

Correct

Mark 1 out of 1

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The economy's long-run aggregate supply curve:

Select one:

- a. slopes upward and to the right.
- b. is vertical. ✓
- c. slopes downward and to the right.
- d. is horizontal.

The correct answer is: is vertical.