

ECON132
Online Quiz Ch27

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Question 1

Correct

Mark 1 out of 1

Flag question

If the natural rate of unemployment is 5.5% and the actual unemployment rate is 6.5%, then, according to Okun's law the GDP gap is:

Select one:

- a. 1%
- b. -2% ✓
- c. 3%
- d. -1%

The correct answer is: -2%

Question 2

Correct

Mark 1 out of 1

Flag question

The GDP gap measures the amount by which:

Select one:

- a. Actual GDP exceeds national income
- b. Nominal GDP exceeds real GDP
- c. Actual GDP exceeds equilibrium GDP
- d. Potential GDP exceeds actual GDP



The correct answer is: Potential GDP exceeds actual GDP

Question 3

Correct

Mark 1 out of 1

🚩 Flag question

A peak in the business cycle:

Select one:

- a. Occurs when the unemployment rate is its greatest
- b. Is a temporary minimum point
- c. Is a temporary maximum point ✓
- d. Occurs when the inflation rate is its lowest

The correct answer is: Is a temporary maximum point

Question 4

Correct

Mark 1 out of 1

Flag question

Real income will rise from one year to the next if nominal income:

Select one:

- a. Falls faster than the price level
- b. Falls and the price level rises
- c. Falls and the price level falls faster
✓
- d. Rises and the price level rises faster

The correct answer is: Falls and the price level falls faster

Question 5

Correct

Mark 1 out of 1

🚩 Flag question

Inflation caused by an increase in aggregate spending is referred to as:

Select one:

- a. Anticipated inflation
- b. Hyperinflation
- c. Demand-pull inflation ✓
- d. Cost-push inflation

The correct answer is: Demand-pull inflation

Question 6

Correct

Mark 1 out of 1

Flag question

In what circumstances would lenders most benefit?

Select one:

- a. When there is an unanticipated decrease in inflation ✓
- b. When there is an anticipated decrease in inflation
- c. When there is an unanticipated increase in inflation
- d. When there is an anticipated increase in inflation

The correct answer is: When there is an unanticipated decrease in inflation

Question 7

Incorrect

Mark 0 out of 1

Flag question

The unemployment rate in an economy is 7.5 percent. The total population of the economy is 250 million and the size of the civilian labor force is 180 million. The number of employed workers in this economy is:

Select one:

- a. 13.5 million
- b. 174.6 million
- c. 15.7 million ✘
- d. 166.5 million

The correct answer is: 166.5 million

Question 8

Incorrect

Mark 0 out of 1

Flag question

The total adult population of an economy is 175 million, the number of employed is 122 million, and the number of unemployed is 17 million. The percent of adults who are not in the labor force is:

Select one:

- a. 25.3 percent
- b. 13.9 percent
- c. 30.3 percent ✘
- d. 20.6 percent

The correct answer is: 20.6 percent

Question 9

Correct

Mark 1 out of 1

Flag question

Most economists agree that the immediate cause of the majority of cyclical changes in the level of real output is unexpected changes in the:

Select one:

- a. Level of total spending ✓
- b. Stock market price indexes
- c. Rate of unemployment
- d. Rate of inflation

The correct answer is: Level of total spending

Question 10

Correct

Mark 1 out of 1

🚩 Flag question

Orlando has just finished school and is searching for his first job. Orlando is considered to be:

Select one:

- a. cyclically unemployed
- b. structurally unemployed
- c. employed
- d. frictionally unemployed ✓

The correct answer is: frictionally unemployed