

In the flow of income and spending, saving and investment are, respectively:

Select one:

- a. A leakage and an injection
- b. Wealth and income
- c. Income and wealth
- d. An injection and a leakage

Next page

Over time, an increase in the real output and incomes of the trading partners of a country will most likely:

Select one:

- a. Decrease the country's imports
- b. Decrease the country's exports
- c. Increase the country's imports
- d. Increase the country's exports

[Previous page](#)

[Next page](#)

Suppose the GDP is in equilibrium at full employment and the MPC is .80. If government wants to increase its purchase of goods and services by \$16 billion without changing equilibrium GDP, taxes should be:

Select one:

- a. Increased by \$20 billion
- b. Reduced by \$20 billion
- c. Increased by \$16 billion
- d. Reduced by \$16 billion

[Previous page](#)

[Next page](#)

The amount by which the full-employment level of domestic output exceeds the level of aggregate expenditure can best be described as:

Select one:

- a. The multiplier
- b. The marginal propensity to save
- c. An inflationary expenditure gap
- d. A recessionary expenditure gap

[Previous page](#)

[Next page](#)

When aggregate expenditure is greater than GDP, then there will be an:

Select one:

- a. Unplanned increase in inventories and GDP will increase
- b. Unplanned decrease in inventories and GDP will increase
- c. Unplanned decrease in inventories and GDP will decrease
- d. Unplanned increase in inventories and GDP will decrease

[Previous page](#)

[Finish attempt ...](#)