

Business Economy Macro economics

Author: Candice Butts

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4. Chapter: Macro economics

1. Macro economics Questions

4.1.1. 1. If a lender expects an inflation rate of 5 percent and asks for...

Author: Candice Butts

1. If a lender expects an inflation rate of 5 percent and asks for a nominal interest rate of 10 percent, then the lender expects to earn a real interest rate of:

Please choose only one answer:

- 15 percent.
- 10 percent.
- 5 percent.
- 2 percent.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [1. If a lender expects an inflation rate Candice Butts Macro Quest](#)

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<http://www.quizover.com/flashcards/question-1-if-a-lender-expects-an-inflation-rate-candice-butts-macro-q?pdf=1505>

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4.1.2. If a lender expects an inflation rate of 5 percent and asks for a n...

Author: Candice Butts

If a lender expects an inflation rate of 5 percent and asks for a nominal interest rate of 10 percent, then the lender expects to earn a real interest rate of:

Check the answer of this question online at QuizOver.com:

Question: [If a lender expects an inflation rate of Candice Butts Macro Quest](#)

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4.1.3. When the government of Zimbabwe ran out of money, President Robert ...

Author: Candice Butts

When the government of Zimbabwe ran out of money, President Robert Mugabe:

Please choose only one answer:

- collapsed.
- printed more money.
- raised taxes.
- slashed spending.

Check the answer of this question online at QuizOver.com:

Question: [When the government of Zimbabwe ran out of Candice Butts Macro Quest](#)

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4.1.4. When the expected rate of inflation is higher than the actual rate ...

Author: Candice Butts

When the expected rate of inflation is higher than the actual rate of inflation, wealth is:

Please choose only one answer:

- not redistributed at all.
- redistributed from borrowers to lenders.
- redistributed at random.
- redistributed from lenders to borrowers.

Check the answer of this question online at QuizOver.com:

Question: [When the expected rate of inflation is Candice Butts Macro economics](#)

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4.1.5. Suppose the nominal interest rate is 4 percent and the inflation ra...

Author: Candice Butts

Suppose the nominal interest rate is 4 percent and the inflation rate is 5 percent. The real interest rate is:

Please choose only one answer:

- 0 percent.
- 9 percent.
- -1 percent.
- 1 percent.

Check the answer of this question online at QuizOver.com:

Question: [Suppose the nominal interest rate is 4 Candice Butts Macro economics](#)

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4.1.6. Disinflation occurs when the overall price level:

Author: Candice Butts

Disinflation occurs when the overall price level:

Please choose only one answer:

- rises at a decreasing rate.
- falls at an increasing rate.
- falls
- rises at an exponential rate.

Check the answer of this question online at QuizOver.com:

Question: [Disinflation occurs when the overall price Candice Butts Macro Quest](#)

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4.1.7. If the average price level rises from 120 in year 1 to 130 in year ...

Author: Candice Butts

If the average price level rises from 120 in year 1 to 130 in year 2, the inflation rate between years 1 and 2 will be:

Please choose only one answer:

- 8.33 percent.
- 9.23 percent.
- 7.69 percent.
- 10 percent.

Check the answer of this question online at QuizOver.com:

Question: [If the average price level rises from 120 Candice Butts Macro Quest](#)

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4.1.8. According to the quantity theory, what causes inflation in the long...

Author: Candice Butts

According to the quantity theory, what causes inflation in the long run?

Please choose only one answer:

- aggregate demand shocks
- money supply
- unemployment
- unexpected inflation

Check the answer of this question online at QuizOver.com:

Question: [According to the quantity theory what causes Candice Macro economics](#)

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4.1.9. In the long run, the quantity theory of money says that the growth ...

Author: Candice Butts

In the long run, the quantity theory of money says that the growth rate of the money supply will be approximately equal to the:

Please choose only one answer:

- growth rate of real GDP.
- velocity of money.
- price level.
- inflation rate.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [In the long run the quantity theory of Candice Butts Macro economics](#)

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4.1.10. The average rate of inflation in the United States over the past 10...

Author: Candice Butts

The average rate of inflation in the United States over the past 10 years has been around 2.6 percent. If this trend continues, how long will it take for prices in the United States to double?

Please choose only one answer:

- 26.9 years
- 10.5 years
- 38.5 years
- 18.4 years

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [The average rate of inflation in the United Candice Butts Macro Quest](#)

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4.1.11. Deflation is a decrease in the:

Author: Candice Butts

Deflation is a decrease in the:

Please choose only one answer:

- exchange rate.
- average level of prices.
- velocity of money.
- inflation rate.

Check the answer of this question online at QuizOver.com:

Question: [Deflation is a decrease in the: Candice Butts Macro economics Quest](#)

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4.1.12. Which measure of the average price level most closely corresponds t...

Author: Candice Butts

Which measure of the average price level most closely corresponds to a student's daily economic activities?

Please choose only one answer:

- producer price index
- GDP deflator
- household price index
- consumer price index

Check the answer of this question online at QuizOver.com:

Question: [Which measure of the average price level Candice Butts Macro Quest](#)

Flashcards:

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4.1.13. If the money supply is \$1 million, the velocity of money is 10, and...

Author: Candice Butts

If the money supply is \$1 million, the velocity of money is 10, and the price level is 100, what is real GDP?

Please choose only one answer:

- \$1 million
- \$10,000
- \$1,000
- \$100,000

Check the answer of this question online at QuizOver.com:

Question: [If the money supply is 1 million the velocity Candice Macro economics](#)

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4.1.14. In the long run, money is:

Author: Candice Butts

In the long run, money is:

Please choose only one answer:

- velocity
- neutral
- expansionary
- temporary.

Check the answer of this question online at QuizOver.com:

Question: [In the long run money is: Candice Butts Macro economics Quest](#)

Flashcards:

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4.1.15. According to the quantity theory of money, a change in the money su...

Author: Candice Butts

According to the quantity theory of money, a change in the money supply affects:

Please choose only one answer:

- nominal GDP in the short run but not in the long run.
- real GDP in the short run but not in the long run.
- nominal GDP in the long run but not in the short run.
- real GDP in the long run but not in the short run.

Check the answer of this question online at QuizOver.com:

Question: [According to the quantity theory of money Candice Butts Macro Quest](#)

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4.1.16. If the average level of prices in an economy equals 100, the money ...

Author: Candice Butts

If the average level of prices in an economy equals 100, the money supply equals \$100,000, and the level of real output equals \$5,000, then the velocity of money is:

Please choose only one answer:

- 5
- 20
- 100
- 1,000

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If the average level of prices in an economy Candice Macro economics](#)

Flashcards:

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4.1.17. Suppose you are forced to take a pay cut of 5 percent when the econ...

Author: Candice Butts

Suppose you are forced to take a pay cut of 5 percent when the economy is experiencing overall deflation of 5 percent. If in response to your pay cut you also reduce your consumption by 5 percent, then economists would say:

Please choose only one answer:

- you made a rational decision.
- the quantity theory of money held.
- your real wage decreased by 5 percent.
- you are exhibiting money illusion.

Check the answer of this question online at QuizOver.com:

Question: [Suppose you are forced to take a pay cut Candice Butts Macro Quest](#)

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4.1.18. According to the Fisher effect, an, increase in expected inflation ...

Author: Candice Butts

According to the Fisher effect, an, increase in expected inflation will cause:

- I. the nominal rate of interest to increase.
- II. the real rate of interest to increase.
- III. inflation to increase.

Please choose only one answer:

- I only
- I, II, and III
- II and III only
- II only

Check the answer of this question online at QuizOver.com:

Question: [According to the Fisher effect an increase Candice Butts Macro Quest](#)

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4.1.19. Monetizing the debt occurs when a government:

Author: Candice Butts

Monetizing the debt occurs when a government:

Please choose only one answer:

- pays off its debts by printing money.
- raises tax to pay off the debt.
- issues more debt to finance its budget deficit.
- decreases the money supply to pay off the debts.

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Question: [Monetizing the debt occurs when a government Candice Macro economics](#)

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4.1.20. The primary reason we think of inflation as bad even when wages ris...

Author: Candice Butts

The primary reason we think of inflation as bad even when wages rise with it is that it:

Please choose only one answer:

- leads to lower real wages.
- distorts the information delivered by prices.
- makes things more expensive for consumers.
- increases the velocity of money.

Check the answer of this question online at QuizOver.com:

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4.1.21. Which of the following identities represents the quantity theory of...

Author: Candice Butts

Which of the following identities represents the quantity theory of money?

Please choose only one answer:

- $P = M$.
- $Mv = YR$.
- $MP = Yv$.
- $Mv = PYR$.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following identities represents Candice Macro economics](#)

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4.1.22. The short-run aggregate supply curve is upward sloping because

Author: Candice Butts

The short-run aggregate supply curve is upward sloping because

Please choose only one answer:

- wages increase with an increase in output in the short run.
- in the short run, an increase in spending leads to an increase in output.
- an increase in spending only leads to an increase in prices.
- wages and prices are sticky in the short run.

Check the answer of this question online at QuizOver.com:

Question: [The short-run aggregate supply curve is Candice Butts Macro economics](#)

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4.1.23. When consumers suddenly become more pessimistic about the economy, ...

Author: Candice Butts

When consumers suddenly become more pessimistic about the economy, a negative aggregate demand shock shifts the

Please choose only one answer:

- AD curve inward, reducing the real growth rate in the short run.
- Solow curve outward, reducing the real growth rate in the short run.
- AD curve outward, reducing the real growth rate in the short run.
- Solow curve inward, reducing the real growth rate in the short run.

Check the answer of this question online at QuizOver.com:

Question: [When consumers suddenly become more Candice Butts Macro economics](#)

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4.1.24. Deflation causes the economy's aggregate demand curve to shift inward...

Author: Candice Butts

Deflation causes the economy's aggregate demand curve to shift inward because debt contracts are

Please choose only one answer:

- adjusted for inflation.
- adjusted for changes in the interest rate.
- not adjusted for inflation.
- not adjusted for changes in the interest rate.

Check the answer of this question online at QuizOver.com:

Question: [Deflation causes the economy's aggregate Candice Butts Macro Quest](#)

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4.1.25. Which of the following is an explanation for why prices may be stic...

Author: Candice Butts

Which of the following is an explanation for why prices may be sticky in the short run?

Please choose only one answer:

- Solow growth curve
- money illusion
- menu costs
- price expectations

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is an explanation Candice Butts Macro Quest](#)

Flashcards:

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4.1.26. Which of the following would shift the Solow growth curve to the ri...

Author: Candice Butts

Which of the following would shift the Solow growth curve to the right?

Please choose only one answer:

- a severe drought that decreases crop production and as a result raises prices
- a decrease in the rate of inflation
- the invention of a new computer chip that makes assembly production twice as fast
- an increase in the growth rate of spending

Check the answer of this question online at QuizOver.com:

Question: [Which of the following would shift the Candice Butts Macro economics](#)

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4.1.27. If spending grows by 2 percent, real GDP growth is 5 percent, and v...

Author: Candice Butts

If spending grows by 2 percent, real GDP growth is 5 percent, and velocity is stable, then prices will be _____ at a rate of _____ percent according to the dynamic aggregate demand curve.

Please choose only one answer:

- rising; 2
- rising; 3
- falling; 3
- falling; 2

Check the answer of this question online at QuizOver.com:

Question: [If spending grows by 2 percent real GDP Candice Butts Macro economics](#)

Flashcards:

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4.1.28. If prices are completely flexible, then an increase in spending gro...

Author: Candice Butts

If prices are completely flexible, then an increase in spending growth will lead to an immediate

Please choose only one answer:

- decrease in real output growth without any change in inflation.
- decrease in inflation without any change in real output growth.
- increase in inflation without any change in real output growth.
- increase in real output growth without any change in inflation.

Check the answer of this question online at QuizOver.com:

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4.1.29. A reduction in oil supply will cause the Solow growth curve to

Author: Candice Butts

A reduction in oil supply will cause the Solow growth curve to

Please choose only one answer:

- shift inward.
- shift outward.
- become flatter.
- become steeper.

Check the answer of this question online at QuizOver.com:

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4.1.30. On a dynamic aggregate demand curve, if $M = 7\%$ and $v = 3\%$, then the ...

Author: Candice Butts

On a dynamic aggregate demand curve, if $M = 7\%$ and $v = 3\%$, then the real growth rate and inflation rate are likely to be

Please choose only one answer:

- 3% and 7% respectively
- 4% each.
- 10% each
- 2% and 8% respectively

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [On a dynamic aggregate demand curve if M Candice Butts Macro Quest](#)

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4.1.31. Which of the following would cause the aggregate demand curve to sh...

Author: Candice Butts

Which of the following would cause the aggregate demand curve to shift to the right?

Please choose only one answer:

- an increase in the growth rate of output
- a decrease in the velocity of money
- a decrease in the inflation rate
- an increase in the growth rate of the money supply

Check the answer of this question online at QuizOver.com:

Question: [Which of the following would cause the Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-would-cause-the-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-would-cause-the-candice-butts-macro-ec?pdf=1505>

4.1.32. The Real Business Cycle (RBC) model implies that

Author: Candice Butts

The Real Business Cycle (RBC) model implies that

Please choose only one answer:

- the rate of inflation is closely linked to the real rate of output growth.
- real output will always fluctuate around the aggregate demand curve.
- business cycles are the result of fluctuations in the money supply.
- business cycles are driven by real shocks to the economy.

Check the answer of this question online at QuizOver.com:

Question: [The Real Business Cycle RBC model implies Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-real-business-cycle-rbc-model-implies-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-real-business-cycle-rbc-model-implies-candice-butts-macro?pdf=1505>

4.1.33. We would expect a negative real shock, such as a major countrywide ...

Author: Candice Butts

We would expect a negative real shock, such as a major countrywide drought, to result in

Please choose only one answer:

- an increase in the inflation rate and a decrease in the growth rate of output.
- a decrease in the inflation rate and an increase in the growth rate of output.
- an increase in the inflation rate and an increase in the growth rate of output.
- a decrease in the inflation rate and a decrease in the growth rate of output.

Check the answer of this question online at QuizOver.com:

Question: [We would expect a negative real shock such Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-we-would-expect-a-negative-real-shock-such-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-we-would-expect-a-negative-real-shock-such-candice-butts-macr?pdf=1505>

4.1.34. An increase in the rate of spending must flow into either higher in...

Author: Candice Butts

An increase in the rate of spending must flow into either higher inflation or

Please choose only one answer:

- higher deflation.
- lower growth.
- higher growth.
- lower inflation.

Check the answer of this question online at QuizOver.com:

Question: [An increase in the rate of spending must Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-an-increase-in-the-rate-of-spending-must-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-an-increase-in-the-rate-of-spending-must-candice-butts-macro?pdf=1505>

4.1.35. If the growth rate of the money supply in an economy is 5 percent, ...

Author: Candice Butts

If the growth rate of the money supply in an economy is 5 percent, the growth rate of output is 2 percent, and the velocity of money is constant, what will the inflation rate in this economy be?

Please choose only one answer:

- 2 percent
- 3 percent
- 5 percent
- 7 percent

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If the growth rate of the money supply in Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-growth-rate-of-the-money-supply-in-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-growth-rate-of-the-money-supply-in-candice-butts-macro?pdf=1505>

4.1.36. A real shock is also called a

Author: Candice Butts

A real shock is also called a

Please choose only one answer:

- supply shock, which is any shock that increases or decreases the aggregate supply.
- productivity shock, which is any shock that increases or decreases the level of production.
- productivity shock, which is any shock that increases or decreases the potential growth rate.
- demand shock, which is any shock that increases or decreases the aggregate demand.

Check the answer of this question online at QuizOver.com:

Question: [A real shock is also called a Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-real-shock-is-also-called-a-candice-butts-macro-economics-q?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-a-real-shock-is-also-called-a-candice-butts-macro-economics-q?pdf=1505>

4.1.37. If instead of buying short-term Treasury securities, the Fed decide...

Author: Candice Butts

If instead of buying short-term Treasury securities, the Fed decides to purchase the country's supply of paper clips, the money supply

Please choose only one answer:

- might expand or contract.
- will expand.
- will not change.
- will contract.

Check the answer of this question online at QuizOver.com:

Question: [If instead of buying short-term Treasury Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-instead-of-buying-short-term-treasury-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-instead-of-buying-short-term-treasury-candice-butts-macro?pdf=1505>

4.1.38. The monetary base consists of currency

Author: Candice Butts

The monetary base consists of currency

Please choose only one answer:

- plus checkable and savings deposits.
- plus total reserves held at the Fed.
- plus checkable deposits.
- with the inclusion of coins.

Check the answer of this question online at QuizOver.com:

Question: [The monetary base consists of currency Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-monetary-base-consists-of-currency-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-monetary-base-consists-of-currency-candice-butts-macro-ec?pdf=1505>

4.1.39. Which of the following is NOT one of the three major tools the Fed ...

Author: Candice Butts

Which of the following is NOT one of the three major tools the Fed uses to control the money supply?

Please choose only one answer:

- discount rate lending and the term auction facility
- printing paper money
- open market operations
- paying interest on reserves held by banks at the Fed

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is NOT one of the Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-not-one-of-the-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-is-not-one-of-the-candice-butts-macro?pdf=1505>

4.1.40. Which of the following money supply components is the smallest?

Author: Candice Butts

Which of the following money supply components is the smallest?

Please choose only one answer:

- currency
- monetary base
- M2
- M1

Check the answer of this question online at QuizOver.com:

Question: [Which of the following money supply components Candice Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-money-supply-components-candice-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-money-supply-components-candice-macro?pdf=1505>

4.1.41. The federal funds rate is the

Author: Candice Butts

The federal funds rate is the

Please choose only one answer:

- interest rate banks pay when they borrow directly from the Fed.
- ratio of reserves to deposits.
- interest rate on short-term Treasury securities.
- overnight lending rate from one major bank to another.

Check the answer of this question online at QuizOver.com:

Question: [The federal funds rate is the Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-federal-funds-rate-is-the-candice-butts-macro-economics-q?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-federal-funds-rate-is-the-candice-butts-macro-economics-q?pdf=1505>

4.1.42. The Fed recapitalizes banks

Author: Candice Butts

The Fed recapitalizes banks

Please choose only one answer:

- on a regular basis as a way to increase the money supply.
- as an attempt to limit the number of new loans extended by banks.
- as a way of earning profits, which in turn are passed on to the federal government.
- only in dire emergencies to avoid insolvency.

Check the answer of this question online at QuizOver.com:

Question: [The Fed recapitalizes banks Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-fed-recapitalizes-banks-candice-butts-macro-economics-que?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-fed-recapitalizes-banks-candice-butts-macro-economics-que?pdf=1505>

4.1.43. Systemic risk is present when

Author: Candice Butts

Systemic risk is present when

Please choose only one answer:

- the failure of one financial institution will bring down other institutions as well.
- the Fed increases the money supply when it should decrease it.
- the U.S. government will default on Treasury securities.
- a bank or other financial institution acts recklessly, hoping that the Fed and regulators will later bail them out.

Check the answer of this question online at QuizOver.com:

Question: [Systemic risk is present when Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-systemic-risk-is-present-when-candice-butts-macro-economics-q?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-systemic-risk-is-present-when-candice-butts-macro-economics-q?pdf=1505>

4.1.44. If the average reserve ratio in the banking system is 20 percent an...

Author: Candice Butts

If the average reserve ratio in the banking system is 20 percent and the Fed increases bank reserves by \$100,000, what will be the total potential increase in the money supply?

Please choose only one answer:

- \$2 million
- \$100,000
- \$120,000
- \$500,000

Check the answer of this question online at QuizOver.com:

Question: [If the average reserve ratio in the banking Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-average-reserve-ratio-in-the-banking-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-average-reserve-ratio-in-the-banking-candice-butts-mac?pdf=1505>

4.1.45. When the Fed buys short-term Treasury securities, short-term intere...

Author: Candice Butts

When the Fed buys short-term Treasury securities, short-term interest rates

Please choose only one answer:

- fall
- could rise or fall.
- rise
- stay the same.

Check the answer of this question online at QuizOver.com:

Question: [When the Fed buys short-term Treasury Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-when-the-fed-buys-short-term-treasury-candice-butts-macro-eco?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-when-the-fed-buys-short-term-treasury-candice-butts-macro-eco?pdf=1505>

4.1.46. The effective reserve ratio is determined primarily by

Author: Candice Butts

The effective reserve ratio is determined primarily by

Please choose only one answer:

- How greedy banks wish to be.
- The number of bank employees.
- The size of banks' vaults.
- How liquid banks wish to be.

Check the answer of this question online at QuizOver.com:

Question: [The effective reserve ratio is determined Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-effective-reserve-ratio-is-determined-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-effective-reserve-ratio-is-determined-candice-butts-macro?pdf=1505>

4.1.47. The interest rate that the Fed has the most control over is the

Author: Candice Butts

The interest rate that the Fed has the most control over is the

Please choose only one answer:

- mortgage loan rate.
- prime rate.
- long-term government bond rate.
- federal funds rate.

Check the answer of this question online at QuizOver.com:

Question: [The interest rate that the Fed has the most Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-interest-rate-that-the-fed-has-the-most-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-interest-rate-that-the-fed-has-the-most-candice-butts-mac?pdf=1505>

4.1.48. A liquid asset is

Author: Candice Butts

A liquid asset is

Please choose only one answer:

- gold and only gold.
- an asset that cannot be used for payments or quickly and without loss of value be converted to an asset that can be used for payments.
- an asset that can be used for payments or quickly and without loss of value be converted to an asset that can be used for payments.
- a very narrowly accepted means of payment.

Check the answer of this question online at QuizOver.com:

Question: [A liquid asset is Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-liquid-asset-is-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-a-liquid-asset-is-candice-butts-macro-economics-quest?pdf=1505>

4.1.49. The paper currency circulated in the United States is called

Author: Candice Butts

The paper currency circulated in the United States is called

Please choose only one answer:

- a bank note.
- a Federal Reserve note.
- an American note.
- a United States note.

Check the answer of this question online at QuizOver.com:

Question: [The paper currency circulated in the United Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-paper-currency-circulated-in-the-united-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-paper-currency-circulated-in-the-united-candice-butts-mac?pdf=1505>

4.1.50. Tyler owes \$100,000, but he owns Mexican Amati paintings that he co...

Author: Candice Butts

Tyler owes \$100,000, but he owns Mexican Amati paintings that he could sell immediately for \$80,000 or within a few months for \$120,000. If these are all the assets and liabilities that Tyler has, Tyler is

Please choose only one answer:

- solvent and liquid.
- insolvent but liquid
- insolvent and illiquid
- solvent but illiquid

Check the answer of this question online at QuizOver.com:

Question: [Tyler owes 100 000 but he owns Mexican Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-tyler-owes-100-000-but-he-owns-mexican-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-tyler-owes-100-000-but-he-owns-mexican-candice-butts-macro-ec?pdf=1505>

4.1.51. Table: The Definition of the Money Supply

Type of money Amount (mi...

Author: Candice Butts

Table: The Definition of the Money Supply

Type of money Amount (millions)

Currency and reserves held by banks at the Fed \$50

Currency \$100

Checkable deposits \$250

Savings deposits \$150

Money market mutual funds \$25

Small time deposits \$10

What is the M2 money supply?

Please choose only one answer:

- \$400 million
- \$550 million
- \$585 million
- \$575 million

Check the answer of this question online at QuizOver.com:

Question: [Table: The Definition of the Money Supply Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-table-the-definition-of-the-money-supply-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-table-the-definition-of-the-money-supply-candice-butts-macro?pdf=1505>

4.1.52. The discount rate is the

Author: Candice Butts

The discount rate is the

Please choose only one answer:

- overnight lending rate from one major bank to another.
- interest rate banks pay when they borrow directly from the Fed.
- interest rate on short-term Treasury securities.
- ratio of reserves to deposits.

Check the answer of this question online at QuizOver.com:

Question: [The discount rate is the Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-discount-rate-is-the-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-discount-rate-is-the-candice-butts-macro-economics-quest?pdf=1505>

4.1.53. Table: The Definition of the Money Supply

Type of money Amount (mi...

Author: Candice Butts

Table: The Definition of the Money Supply

Type of money Amount (millions)

Currency and reserves held by banks at the Fed \$50

Currency \$100

Checkable deposits \$250

Savings deposits \$150

Money market mutual funds \$25

Small time deposits \$10

What is the M1 money supply?

Please choose only one answer:

- \$250 million
- \$150 million
- \$300 million
- \$400 million

Check the answer of this question online at QuizOver.com:

Question: [Table: The Definition of the Money Supply Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-table-the-definition-of-the-money-supply-candice-butt-9746334?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-table-the-definition-of-the-money-supply-candice-butt-9746334?pdf=1505>

4.1.54. When facing a real shock, a central bank will encounter a dilemma t...

Author: Candice Butts

When facing a real shock, a central bank will encounter a dilemma that forces it to choose between

Please choose only one answer:

- too high a rate of growth or too high a rate of inflation.
- too low a rate of growth or too high a rate of inflation
- too high a rate of growth or too low a rate of inflation
- too low a rate of growth or too low a rate of inflation

Check the answer of this question online at QuizOver.com:

Question: [When facing a real shock a central bank Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-when-facing-a-real-shock-a-central-bank-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-when-facing-a-real-shock-a-central-bank-candice-butts-macro-e?pdf=1505>

4.1.55. Which of the following does NOT explain why the 1997–2006 housing boom increased aggregate demand?

Author: Candice Butts

Which of the following does NOT explain why the 1997–2006 housing boom increased aggregate demand?

Please choose only one answer:

- During the boom, some builders were working 60 or 80 hours a week instead of 40.
- Homeowners felt wealthier as they saw their homes rising in value every year.
- The construction sector created new employment and higher wages.
- Homeowners tended to spend more money and even borrow money, hoping that rising wealth from the home values will let them repay the money in the future.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following does NOT explain Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-does-not-explain-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-does-not-explain-candice-butts-macro-e?pdf=1505>

4.1.56. If the Fed reduces to fight inflation after a negative real shock, ...

Author: Candice Butts

If the Fed reduces to fight inflation after a negative real shock, which of the following should occur?

Please choose only one answer:

- no change
- low real growth
- high real growth
- higher inflation

Check the answer of this question online at QuizOver.com:

Question: [If the Fed reduces to fight inflation after Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-fed-reduces-to-fight-inflation-after-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-fed-reduces-to-fight-inflation-after-candice-butts-mac?pdf=1505>

4.1.57. If the economy is hit by a negative real shock that reduces real GD...

Author: Candice Butts

If the economy is hit by a negative real shock that reduces real GDP growth below the Solow growth rate, which of the following is the appropriate monetary policy to move real GDP growth back to the Solow growth rate without raising inflation?

Please choose only one answer:

- No monetary policy can achieve that goal.
- Increase the growth rate of the money supply
- Decrease the growth rate of the money supply.
- Keep the growth rate of the money supply constant while lowering interest rates.

Check the answer of this question online at QuizOver.com:

Question: [If the economy is hit by a negative real Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-economy-is-hit-by-a-negative-real-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-economy-is-hit-by-a-negative-real-candice-butts-macro?pdf=1505>

4.1.58. Disinflation in the 1980s was a result of

Author: Candice Butts

Disinflation in the 1980s was a result of

Please choose only one answer:

- leftward shifts in the aggregate demand curve due to money supply reductions.
- leftward shifts in the Solow growth curve due to negative real shocks.
- the gradual return of the economy toward the Solow growth curve.
- leftward shifts in the aggregate supply curve due to sticky wages and prices.

Check the answer of this question online at QuizOver.com:

Question: [Disinflation in the 1980s was a result Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-disinflation-in-the-1980s-was-a-result-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-disinflation-in-the-1980s-was-a-result-candice-butts-macro-ec?pdf=1505>

4.1.59. U.S. housing prices peaked in

Author: Candice Butts

U.S. housing prices peaked in

Please choose only one answer:

- 1997
- 2006
- 2008
- 2001

Check the answer of this question online at QuizOver.com:

Question: [U.S. housing prices peaked in Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-u-s-housing-prices-peaked-in-candice-butts-macro-economics-qu?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-u-s-housing-prices-peaked-in-candice-butts-macro-economics-qu?pdf=1505>

4.1.60. Nobel Prize–winner Milton Friedman advocated which of the following...

Author: Candice Butts

Nobel Prize–winner Milton Friedman advocated which of the following as an adequate monetary policy?

Please choose only one answer:

- a strict rule in which the money supply should grow at the rate of the long-run economic growth rate
- a discretionary rule in which the money supply should be adjusted to control the level of inflation rate
- a discretionary rule in which the money supply should be adjusted to counteract aggregate demand shocks
- a strict rule in which the money supply should grow 2 percent higher than the long-run economic growth rate

Check the answer of this question online at QuizOver.com:

Question: [Nobel Prize winner Milton Friedman advocated Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-nobel-prize-winner-milton-friedman-advocated-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-nobel-prize-winner-milton-friedman-advocated-candice-macro-ec?pdf=1505>

4.1.61. Which of the following is a reason it might be hard for the Fed to ...

Author: Candice Butts

Which of the following is a reason it might be hard for the Fed to restore aggregate demand in the face of a nominal shock?

Please choose only one answer:

- Banks usually don't do what the Fed demands of them.
- The Fed must operate in real time, when a lot of the data about the state of the economy are unknown.
- The economy responds to the Fed's actions with no lag.
- The Fed might run out of money.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is a reason it might Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-a-reason-it-might-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-is-a-reason-it-might-candice-butts-mac?pdf=1505>

4.1.62. Many economists worry about the Federal Reserve overstimulating the...

Author: Candice Butts

Many economists worry about the Federal Reserve overstimulating the economy because such overstimulation will lead to rising

Please choose only one answer:

- inflation
- output growth.
- Solow growth.
- unemployment.

Check the answer of this question online at QuizOver.com:

Question: [Many economists worry about the Federal Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-many-economists-worry-about-the-federal-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-many-economists-worry-about-the-federal-candice-butts-macro-e?pdf=1505>

4.1.63. In the late 1990s, America's economy

Author: Candice Butts

In the late 1990s, America's economy

Please choose only one answer:

- suffered from several severe nominal shocks, producing low inflation and growth.
- was booming and unemployment was very low.
- experienced stagflation: high inflation and low real growth.
- grew at its historical pace.

Check the answer of this question online at QuizOver.com:

Question: [In the late 1990s America's economy Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-the-late-1990s-america-s-economy-candice-butts-macro-econo?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-the-late-1990s-america-s-economy-candice-butts-macro-econo?pdf=1505>

4.1.64. When a bubble arises, asset prices are driven by

Author: Candice Butts

When a bubble arises, asset prices are driven by

Please choose only one answer:

- changes in aggregate demand and aggregate supply.
- shifts in market psychology and successive waves of irrational exuberance.
- shifts in money growth rate.
- policymakers

Check the answer of this question online at QuizOver.com:

Question: [When a bubble arises asset prices are driven Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-when-a-bubble-arises-asset-prices-are-driven-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-when-a-bubble-arises-asset-prices-are-driven-candice-macro-ec?pdf=1505>

4.1.65. If the Federal Reserve wished to avoid short-run increases in the u...

Author: Candice Butts

If the Federal Reserve wished to avoid short-run increases in the unemployment rate, the correct response to a negative AD shock would be

Please choose only one answer:

- a tax cut.
- an increase in government spending growth.
- a lower goal for inflation.
- an increase in money supply growth.

Check the answer of this question online at QuizOver.com:

Question: [If the Federal Reserve wished to avoid Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-federal-reserve-wished-to-avoid-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-federal-reserve-wished-to-avoid-candice-butts-macro-ec?pdf=1505>

4.1.66. In the case of a negative shock to aggregate demand, the central ba...

Author: Candice Butts

In the case of a negative shock to aggregate demand, the central bank should

Please choose only one answer:

- decrease the rate of growth in the price level to keep real growth high.
- decrease the rate of growth in the money supply to control inflation.
- do nothing.
- increase the rate of growth in the money supply to restore spending growth.

Check the answer of this question online at QuizOver.com:

Question: [In the case of a negative shock to aggregate Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-the-case-of-a-negative-shock-to-aggregate-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-the-case-of-a-negative-shock-to-aggregate-candice-macro-ec?pdf=1505>

4.1.67. Uncertainty drives people away from

Author: Candice Butts

Uncertainty drives people away from

Please choose only one answer:

- less liquid assets and toward more investment spending.
- investment spending and toward more liquid assets.
- investment spending and toward less liquid assets.
- more liquid assets and toward more investment spending

Check the answer of this question online at QuizOver.com:

Question: [Uncertainty drives people away from Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-uncertainty-drives-people-away-from-candice-butts-macro-econo?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-uncertainty-drives-people-away-from-candice-butts-macro-econo?pdf=1505>

4.1.68. Shortly after September 11, 2011, the Federal Reserve

Author: Candice Butts

Shortly after September 11, 2011, the Federal Reserve

Please choose only one answer:

- decreased its lending to banks.
- decreased its lending to individuals.
- increased its lending to banks
- increased its lending to individuals.

Check the answer of this question online at QuizOver.com:

Question: [Shortly after September 11 2011 the Federal Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-shortly-after-september-11-2011-the-federal-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-shortly-after-september-11-2011-the-federal-candice-butts-mac?pdf=1505>

4.1.69. Low interest rates in 2003–2004

Author: Candice Butts

Low interest rates in 2003–2004

Please choose only one answer:

- lowered real growth.
- increased demand for homes
- made it more difficult to borrow
- decreased demand for homes

Check the answer of this question online at QuizOver.com:

Question: [Low interest rates in 2003 2004 Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-low-interest-rates-in-2003-2004-candice-butts-macro-economics?pdf=1505>

Interactive Question:

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4.1.70. In the face of a shock to consumer confidence, politicians are on t...

Author: Candice Butts

In the face of a shock to consumer confidence, politicians are on the fence about whether to implement policies based on the advice of economists or to make decisions on the basis of Tarot card readings. What would happen during the period in which they are making up their minds about which strategy to pursue?

Please choose only one answer:

- P would rise
- yr would rise
- v would rise
- v would fall

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [In the face of a shock to consumer confidence Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-the-face-of-a-shock-to-consumer-confidence-candice-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-the-face-of-a-shock-to-consumer-confidence-candice-macro-e?pdf=1505>

4.1.71. Increased uncertainty will cause the economy's AD to

Author: Candice Butts

Increased uncertainty will cause the economy's AD to

Please choose only one answer:

- shift inward.
- become steeper.
- become flatter.
- shift outward.

Check the answer of this question online at QuizOver.com:

Question: [Increased uncertainty will cause the economy Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-increased-uncertainty-will-cause-the-economy-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-increased-uncertainty-will-cause-the-economy-candice-macro-ec?pdf=1505>

4.1.72. Intertemporal substitution refers to

Author: Candice Butts

Intertemporal substitution refers to

Please choose only one answer:

- the tendency to work more when the returns to work are higher.
- the decision to substitute one television show for another during the same time slot.
- the preference for households to smooth their consumption over time.
- the decision on how to allocate time between work and leisure.

Check the answer of this question online at QuizOver.com:

Question: [Intertemporal substitution refers to Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-intertemporal-substitution-refers-to-candice-butts-macro-econ?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-intertemporal-substitution-refers-to-candice-butts-macro-econ?pdf=1505>

4.1.73. Which quarter of the year produces the most economic output?

Author: Candice Butts

Which quarter of the year produces the most economic output?

Please choose only one answer:

- the second
- the fourth
- the third
- the first

Check the answer of this question online at QuizOver.com:

Question: [Which quarter of the year produces the most Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-quarter-of-the-year-produces-the-most-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-quarter-of-the-year-produces-the-most-candice-butts-mac?pdf=1505>

4.1.74. Uncertainty tends to keep resources

Author: Candice Butts

Uncertainty tends to keep resources

Please choose only one answer:

- in less productive uses.
- moving from country to country.
- in more productive uses.
- fully employed.

Check the answer of this question online at QuizOver.com:

Question: [Uncertainty tends to keep resources Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-uncertainty-tends-to-keep-resources-candice-butts-macro-econo?pdf=1505>

Interactive Question:

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4.1.75. Which of the following is the best example of an irreversible inves...

Author: Candice Butts

Which of the following is the best example of an irreversible investment?

Please choose only one answer:

- a first date
- hiring a new employee
- the decision to work an extra 2 hours per week
- starting a new automobile line

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is the best example Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-the-best-example-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-is-the-best-example-candice-butts-macr?pdf=1505>

4.1.76. Many economic activities tend to cluster together in time because

Author: Candice Butts

Many economic activities tend to cluster together in time because

Please choose only one answer:

- the returns to working are lower in the evening hours.
- the opportunity cost is higher than when these activities are not clustered.
- of cultural norms that tell us we are supposed to work during the day.
- the returns to coordinating with others are high.

Check the answer of this question online at QuizOver.com:

Question: [Many economic activities tend to cluster Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-many-economic-activities-tend-to-cluster-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-many-economic-activities-tend-to-cluster-candice-butts-macro?pdf=1505>

4.1.77. Collateral shocks tend to amplify business cycles because

Author: Candice Butts

Collateral shocks tend to amplify business cycles because

Please choose only one answer:

- the returns to work are higher in booms than in recessions, so people work more during booms and less during recessions.
- assets are typically worth more in booms than in recessions, and the value of assets tends to be positively correlated to firms' ability to obtain investment funding.
- the uncertainty of recessions tends to increase people's job search time, while greater certainty decreases search time during booms.
- the returns to investment are higher when others are investing as well; thus we see more investment during booms and less during recessions.

Check the answer of this question online at QuizOver.com:

Question: [Collateral shocks tend to amplify business Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-collateral-shocks-tend-to-amplify-business-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-collateral-shocks-tend-to-amplify-business-candice-butts-macr?pdf=1505>

4.1.78. Tom works as an editor for a textbook company and devotes some of h...

Author: Candice Butts

Tom works as an editor for a textbook company and devotes some of his time to his dream of writing a novel. Will he devote more time to writing the novel when the textbook company is busy and pays him overtime or when work is slow and no overtime pay is available?

Please choose only one answer:

- Equal amounts of time under both conditions.
- When work is busy.
- He will only talk about his novel; he will never actually write it.
- When work is slow.

Check the answer of this question online at QuizOver.com:

Question: [Tom works as an editor for a textbook Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-tom-works-as-an-editor-for-a-textbook-candice-butts-macro-eco?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-tom-works-as-an-editor-for-a-textbook-candice-butts-macro-eco?pdf=1505>

4.1.79. Intertemporal substitution tends to magnify

Author: Candice Butts

Intertemporal substitution tends to magnify

Please choose only one answer:

- both negative and positive shocks.
- neither negative nor positive shocks.
- positive shocks only.
- negative shocks only.

Check the answer of this question online at QuizOver.com:

Question: [Intertemporal substitution tends to magnify Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-intertemporal-substitution-tends-to-magnify-candice-butts-mac?pdf=1505>

Interactive Question:

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4.1.80. Which of the following is widely considered to be the most irrevers...

Author: Candice Butts

Which of the following is widely considered to be the most irreversible decision for a typical person?

Please choose only one answer:

- Buying a car.
- Buying a house.
- Getting engaged with a loved one.
- Having a baby.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is widely considered Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-widely-considered-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-is-widely-considered-candice-butts-mac?pdf=1505>

4.1.81. The supply of labor

Author: Candice Butts

The supply of labor

Please choose only one answer:

- decreases during a boom and increases during a recession.
- increases during booms and recessions alike.
- decreases during booms and recessions alike.
- increases during a boom and decreases during a recession.

Check the answer of this question online at QuizOver.com:

Question: [The supply of labor Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-supply-of-labor-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-supply-of-labor-candice-butts-macro-economics-quest?pdf=1505>

4.1.82. After the 9/11 attacks

Author: Candice Butts

After the 9/11 attacks

Please choose only one answer:

- the need for information about the future went out the window.
- people held off on business investment until it became clear that the attacks would not become regular occurrences.
- the Solow growth rate increased.
- people rushed to invest in New York City.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [After the 9/11 attacks Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-after-the-9-11-attacks-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-after-the-9-11-attacks-candice-butts-macro-economics-quest?pdf=1505>

4.1.83. Labor adjustment costs are

Author: Candice Butts

Labor adjustment costs are

Please choose only one answer:

- the costs of shifting workers from declining sectors of the economy to the growing sectors.
- reductions in the value of collateral.
- valuable assets that are pledged to a lender to secure a loan.
- the tendency for economic activities to be coordinated at common points in time.

Check the answer of this question online at QuizOver.com:

Question: [Labor adjustment costs are Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-labor-adjustment-costs-are-candice-butts-macro-economics-ques?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-labor-adjustment-costs-are-candice-butts-macro-economics-ques?pdf=1505>

4.1.84. Which of the following is NOT an example of intertemporal substitut...

Author: Candice Butts

Which of the following is NOT an example of intertemporal substitution?

Please choose only one answer:

- Sandy works 10-hour days as a ski instructor during the winter months but takes a three-week vacation during the summer.
- Thomas studies economics two hours every night in order to get a good grade in the course.
- Luke is an accountant who works overtime during tax season.
- David decides to go to college after high school, since he has graduated in the middle of a big recession and jobs are hard to come by.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is NOT an example Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-not-an-example-candice-butts-macro?pdf=1505>

Interactive Question:

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4.1.85. All of the following are transmission mechanisms EXCEPT

Author: Candice Butts

All of the following are transmission mechanisms EXCEPT

Please choose only one answer:

- intertemporal substitution.
- time bunching.
- irreversible investments.
- shocks to the Solow growth rate.

Check the answer of this question online at QuizOver.com:

Question: [All of the following are transmission Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-all-of-the-following-are-transmission-candice-butts-macro-eco?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-all-of-the-following-are-transmission-candice-butts-macro-eco?pdf=1505>

4.1.86. If it takes people more time to make employment decisions, then a g...

Author: Candice Butts

If it takes people more time to make employment decisions, then a given negative economic shock will cause a decline in economic growth

Please choose only one answer:

- larger in size and longer in duration.
- smaller in size but longer in duration.
- larger in size but shorter in duration.
- smaller in size and shorter in duration.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If it takes people more time to make Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-it-takes-people-more-time-to-make-candice-butts-macro-econ?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-it-takes-people-more-time-to-make-candice-butts-macro-econ?pdf=1505>

4.1.87. If a house is worth \$600,000, its owner owes \$400,000 on the mortga...

Author: Candice Butts

If a house is worth \$600,000, its owner owes \$400,000 on the mortgage, and the value of the house falls to \$300,000, how much equity will the owner have?

Please choose only one answer:

- \$100,000
- -\$100,000
- \$0
- \$200,000

Check the answer of this question online at QuizOver.com:

Question: [If a house is worth 600 000 its owner owes Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-a-house-is-worth-600-000-its-owner-owes-candice-butts-macr?pdf=1505>

Interactive Question:

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4.1.88. The marginal tax rate is the

Author: Candice Butts

The marginal tax rate is the

Please choose only one answer:

- average tax rate paid on all earned income.
- minimum tax rate paid on income in the United States.
- tax rate paid on each additional dollar earned.
- tax rate paid on capital gains.

Check the answer of this question online at QuizOver.com:

Question: [The marginal tax rate is the Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-marginal-tax-rate-is-the-candice-butts-macro-economics-qu?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-marginal-tax-rate-is-the-candice-butts-macro-economics-qu?pdf=1505>

4.1.89. The earned income tax credit makes the U.S. federal income tax

Author: Candice Butts

The earned income tax credit makes the U.S. federal income tax

Please choose only one answer:

- more regressive.
- irrelevant to most taxpayers except for the rich.
- more progressive.
- flatter.

Check the answer of this question online at QuizOver.com:

Question: [The earned income tax credit makes the U Candice Butts Macro Quest](#)

Flashcards:

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Interactive Question:

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4.1.90. Which of the following refers to the situation in which the annual ...

Author: Candice Butts

Which of the following refers to the situation in which the annual spending of the federal government exceeds its annual revenues?

Please choose all the answers that apply:

- government insolvency
- government debt
- government deficit
- government surplus

Check the answer of this question online at QuizOver.com:

Question: [Which of the following refers to the Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-refers-to-the-candice-butts-macro-econ?pdf=1505>

Interactive Question:

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4.1.91. Which of the following refers to the situation in which the annual ...

Author: Candice Butts

Which of the following refers to the situation in which the annual spending of the federal government exceeds its annual revenues?

Please choose all the answers that apply:

- government insolvency
- government debt
- government deficit
- government surplus

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Which of the following refers to the Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-refers-to-the-candice-butts-ma-1935854?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-refers-to-the-candice-butts-ma-1935854?pdf=1505>

4.1.92. Which of the following refers to the situation in which the annual ...

Author: Candice Butts

Which of the following refers to the situation in which the annual spending of the federal government exceeds its annual revenues?

Please choose all the answers that apply:

- government insolvency
- government debt
- government deficit
- government surplus

Check the answer of this question online at QuizOver.com:

Question: [Which of the following refers to the Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-refers-to-the-candice-butts-ma-1957897?pdf=1505>

Interactive Question:

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4.1.93. If you purchased 10 shares of Goldman Sachs stock for \$1,200 five y...

Author: Candice Butts

If you purchased 10 shares of Goldman Sachs stock for \$1,200 five years ago and continue to hold the stock today but its value has risen to \$1,500, how much will you owe in capital gains tax on your 10 shares? (Assume the tax rate on capital gains is set at 15 percent.)

Please choose only one answer:

- \$180
- \$45
- \$225
- \$0

Check the answer of this question online at QuizOver.com:

Question: [If you purchased 10 shares of Goldman Sachs Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-you-purchased-10-shares-of-goldman-sachs-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-you-purchased-10-shares-of-goldman-sachs-candice-butts-mac?pdf=1505>

4.1.94. For a given person in the United States, which is higher, the margi...

Author: Candice Butts

For a given person in the United States, which is higher, the marginal income tax rate or the average income tax rate?

Please choose only one answer:

- They are equal.
- The marginal income tax rate is higher.
- The average income tax rate is higher.
- It depends on the person.

Check the answer of this question online at QuizOver.com:

Question: [For a given person in the United States Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-for-a-given-person-in-the-united-states-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-for-a-given-person-in-the-united-states-candice-butts-macro-e?pdf=1505>

4.1.95. A country has two income tax brackets: people pay 10 percent on the...

Author: Candice Butts

A country has two income tax brackets: people pay 10 percent on their first \$50,000 and 20 percent on everything they earn over \$50,000. If someone earns \$75,000, what is that person's marginal tax rate?

Please choose only one answer:

- 10 percent
- 15 percent
- 20 percent
- 13.3 percent

Check the answer of this question online at QuizOver.com:

Question: [A country has two income tax brackets: Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-country-has-two-income-tax-brackets-candice-butts-macro-eco?pdf=1505>

Interactive Question:

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4.1.96. The average tax rate is

Author: Candice Butts

The average tax rate is

Please choose only one answer:

- higher on people with higher incomes.
- a separate income tax code begun in 1969 to prevent the rich from paying income taxes.
- the total tax payment divided by total income.
- the tax rate paid on an additional dollar of income.

Check the answer of this question online at QuizOver.com:

Question: [The average tax rate is Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-average-tax-rate-is-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-average-tax-rate-is-candice-butts-macro-economics-quest?pdf=1505>

4.1.97. Moving from a progressive tax system to a flat tax system would mos...

Author: Candice Butts

Moving from a progressive tax system to a flat tax system would most likely

Please choose only one answer:

- raise taxes on the rich.
- decrease investment.
- raise taxes for poor and middle-income households.
- lower overall tax revenue.

Check the answer of this question online at QuizOver.com:

Question: [Moving from a progressive tax system to a Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-moving-from-a-progressive-tax-system-to-a-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-moving-from-a-progressive-tax-system-to-a-candice-butts-macro?pdf=1505>

4.1.98. The government finances its debt by

Author: Candice Butts

The government finances its debt by

Please choose only one answer:

- borrowing from the Fed.
- printing money.
- issuing bonds.
- borrowing from foreign investors such as China.

Check the answer of this question online at QuizOver.com:

Question: [The government finances its debt by Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-government-finances-its-debt-by-candice-butts-macro-econo?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-government-finances-its-debt-by-candice-butts-macro-econo?pdf=1505>

4.1.99. Which of the following is NOT true regarding the 2009 stimulus plan...

Author: Candice Butts

Which of the following is NOT true regarding the 2009 stimulus plan enacted under President Obama?

Please choose only one answer:

- Federal grants to states prevented massive state layoffs but also made state agencies highly dependent on the federal government for revenue.
- The stimulus plan led to a high degree of crowding out of private investment.
- The stimulus plan included spending and tax cuts totaling \$800 billion to \$900 billion.
- Many of the tax cuts were saved rather than spent.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following is NOT true regarding Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-is-not-true-regarding-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-is-not-true-regarding-candice-macro-ec?pdf=1505>

4.1.100. Automatic stabilizers are

Author: Candice Butts

Automatic stabilizers are

Please choose only one answer:

- actions that are automatically taken by the society to stabilize the economy.
- fiscal policy changes that offset economic conditions by stimulating or suppressing aggregate demand without the need for explicit action by policymakers.
- actions that automatically stabilize the economy without any changes in consumption, investment, and government spending.
- changes in monetary policy that stimulate aggregate demand without explicit action by policymakers.

Check the answer of this question online at QuizOver.com:

Question: [Automatic stabilizers are Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-automatic-stabilizers-are-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-automatic-stabilizers-are-candice-butts-macro-economics-quest?pdf=1505>

4.1.101. The best type of negative shock for fiscal policy to respond to is ...

Author: Candice Butts

The best type of negative shock for fiscal policy to respond to is a negative shock to

Please choose only one answer:

- the Solow growth curve.
- inflation
- short-run aggregate supply.
- aggregate demand.

Check the answer of this question online at QuizOver.com:

Question: [The best type of negative shock for fiscal Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-best-type-of-negative-shock-for-fiscal-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-best-type-of-negative-shock-for-fiscal-candice-butts-macr?pdf=1505>

4.1.102. During a recession, consumers hold more money by cutting back on th...

Author: Candice Butts

During a recession, consumers hold more money by cutting back on their spending, resulting in _____ in inflation and _____ in real growth.

Please choose only one answer:

- a decrease; an increase
- an increase; a decrease
- a decrease; a decrease
- an increase; an increase

Check the answer of this question online at QuizOver.com:

Question: [During a recession consumers hold more Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-during-a-recession-consumers-hold-more-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-during-a-recession-consumers-hold-more-candice-butts-macro-ec?pdf=1505>

4.1.103. The time it takes Congress to propose and pass a plan for fiscal po...

Author: Candice Butts

The time it takes Congress to propose and pass a plan for fiscal policy is called the

Please choose only one answer:

- legislative lag.
- adjustment lag.
- recognition lag.
- effectiveness lag.

Check the answer of this question online at QuizOver.com:

Question: [The time it takes Congress to propose and Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-time-it-takes-congress-to-propose-and-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-time-it-takes-congress-to-propose-and-candice-butts-macro?pdf=1505>

4.1.104. The case when an increase in government spending isn't large enough...

Author: Candice Butts

The case when an increase in government spending isn't large enough to significantly increase aggregate demand is called

Please choose only one answer:

- a real shock.
- crowding out.
- a matter of timing.
- a drop in the bucket.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [The case when an increase in government Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-case-when-an-increase-in-government-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-case-when-an-increase-in-government-candice-butts-macro-e?pdf=1505>

4.1.105. To fight a recession, the federal government can

Author: Candice Butts

To fight a recession, the federal government can

Please choose only one answer:

- increase interest rates.
- increase its spending.
- decrease the discount rate.
- increase taxes.

Check the answer of this question online at QuizOver.com:

Question: [To fight a recession the federal government Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-to-fight-a-recession-the-federal-government-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-to-fight-a-recession-the-federal-government-candice-butts-mac?pdf=1505>

4.1.106. In the U.S., federal government expenditures must be approved by th...

Author: Candice Butts

In the U.S., federal government expenditures must be approved by the

I. House of Representatives.

II. Senate.

III. president of the United States.

Please choose only one answer:

- I, II, and III
- II and III only
- I and III only
- I and II only

Check the answer of this question online at QuizOver.com:

Question: [In the U.S. federal government expenditures Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-the-u-s-federal-government-expenditures-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-the-u-s-federal-government-expenditures-candice-butts-macr?pdf=1505>

4.1.107. When the government conducts fiscal policy, it makes up for a decre...

Author: Candice Butts

When the government conducts fiscal policy, it makes up for a decrease in c with

Please choose only one answer:

- a decrease in Y R
- a decrease in NX
- an increase in G
- an increase in M

Check the answer of this question online at QuizOver.com:

Question: [When the government conducts fiscal policy Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-when-the-government-conducts-fiscal-policy-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-when-the-government-conducts-fiscal-policy-candice-butts-macr?pdf=1505>

4.1.108. Fiscal policy is most effective when

Author: Candice Butts

Fiscal policy is most effective when

Please choose only one answer:

- the money supply is falling.
- there are many unemployed resources.
- bond prices are low.
- interest rates are high.

Check the answer of this question online at QuizOver.com:

Question: [Fiscal policy is most effective when Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-fiscal-policy-is-most-effective-when-candice-butts-macro-econ?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-fiscal-policy-is-most-effective-when-candice-butts-macro-econ?pdf=1505>

4.1.109. Ideal fiscal policy will

Author: Candice Butts

Ideal fiscal policy will

Please choose only one answer:

- decrease aggregate demand in good times and pay off the bills in bad times.
- decrease aggregate demand in bad times and pay off the bills in good times.
- increase aggregate demand in bad times and pay off the bills in good times.
- increase aggregate demand in good times and pay off the bills in bad times.

Check the answer of this question online at QuizOver.com:

Question: [Ideal fiscal policy will Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-ideal-fiscal-policy-will-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-ideal-fiscal-policy-will-candice-butts-macro-economics-quest?pdf=1505>

4.1.110. If Ricardian equivalence holds,

Author: Candice Butts

If Ricardian equivalence holds,

Please choose only one answer:

- taxpayers respond to lower tax rates today with increased savings today.
- consumption smoothing is less important than when Ricardian equivalence doesn't hold.
- taxpayers respond to lower tax rates today with increased spending today.
- changes in fiscal policy are more likely to have a larger impact on aggregate demand.

Check the answer of this question online at QuizOver.com:

Question: [If Ricardian equivalence holds Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-ricardian-equivalence-holds-candice-butts-macro-economics?pdf=1505>

Interactive Question:

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4.1.111. The multiplier concept is important because it shows

Author: Candice Butts

The multiplier concept is important because it shows

Please choose only one answer:

- why decreases in the tax rate may actually increase tax revenues overall.
- why fiscal policy is always effective.
- how small changes in government spending may have large impacts on overall output.
- how changes in taxes are multiplied into larger government revenues.

Check the answer of this question online at QuizOver.com:

Question: [The multiplier concept is important because Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-the-multiplier-concept-is-important-because-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-the-multiplier-concept-is-important-because-candice-butts-mac?pdf=1505>

4.1.112. When consumers receive tax rebates and use them to pay down debt ra...

Author: Candice Butts

When consumers receive tax rebates and use them to pay down debt rather than to increase spending,

Please choose only one answer:

- the resulting fiscal stimulus will be the same size as the initial tax rebate.
- the resulting fiscal stimulus will be much smaller than the initial tax rebate.
- the resulting fiscal stimulus will be much larger than the initial tax rebate.
- it is impossible to say whether the resulting fiscal stimulus will be larger or smaller.

Check the answer of this question online at QuizOver.com:

Question: [When consumers receive tax rebates and use Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-when-consumers-receive-tax-rebates-and-use-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-when-consumers-receive-tax-rebates-and-use-candice-butts-macr?pdf=1505>

4.1.113. If the world price of cotton is less than the price that would occur...

Author: Candice Butts

If the world price of cotton is less than the price that would occur domestically without trade, then a country will

Please choose only one answer:

- import cotton.
- export cotton.
- decrease its demand for cotton, and increase its demand for cotton substitutes.
- increase its demand for cotton, and decrease its demand for cotton substitutes.

Check the answer of this question online at QuizOver.com:

Question: [If the world price of cotton is less than Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-world-price-of-cotton-is-less-than-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-world-price-of-cotton-is-less-than-candice-butts-macro?pdf=1505>

4.1.114. In this figure representing the market for oil, by how much will do...

Author: Candice Butts

In this figure representing the market for oil, by how much will domestic oil consumption increase or decrease following a tariff on imported oil?

Please choose only one answer:

- decrease by 500 units
- increase by 300 units
- decrease by 150 units
- increase by 250 units

Check the answer of this question online at QuizOver.com:

Question: [In this figure representing the market for Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-this-figure-representing-the-market-for-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-this-figure-representing-the-market-for-candice-butts-macr?pdf=1505>

4.1.115. Which of the following results from a tariff on imported goods?

I....

Author: Candice Butts

Which of the following results from a tariff on imported goods?

- I. domestic production increases
- II. domestic consumption increases
- III. government revenues increase

Please choose only one answer:

- II and III only
- I, II, and III
- I and III only
- I and II only

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Which of the following results from a tariff Candice Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-results-from-a-tariff-candice-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-results-from-a-tariff-candice-macro-ec?pdf=1505>

4.1.116. World supply of a good _____ domestic supply.

Author: Candice Butts

World supply of a good _____ domestic supply.

Please choose only one answer:

- has indeterminate elasticity compared with
- is equally elastic to
- is less elastic than
- is more elastic than

Check the answer of this question online at QuizOver.com:

Question: [World supply of a good domestic supply. Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-world-supply-of-a-good-domestic-supply-candice-butts-macro-ec?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-world-supply-of-a-good-domestic-supply-candice-butts-macro-ec?pdf=1505>

4.1.117. Who does protectionism hurt?

Author: Candice Butts

Who does protectionism hurt?

Please choose only one answer:

- domestic consumers only
- international producers and domestic consumers
- international producers only
- domestic producers only

Check the answer of this question online at QuizOver.com:

Question: [Who does protectionism hurt Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-who-does-protectionism-hurt-candice-butts-macro-economics-que?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-who-does-protectionism-hurt-candice-butts-macro-economics-que?pdf=1505>

4.1.118. (Figure: International Trade 2) Refer to the figure. What is the si...

Author: Candice Butts

(Figure: International Trade 2) Refer to the figure. What is the size of the tariff in this figure?

Please choose only one answer:

- \$3
- \$5
- \$8
- \$1

Check the answer of this question online at QuizOver.com:

Question: [Figure: International Trade 2 Refer to the Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-figure-international-trade-2-refer-to-the-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-figure-international-trade-2-refer-to-the-candice-butts-macro?pdf=1505>

4.1.119. (Figure: International Trade 2) Refer to the figure. With the tariff...

Author: Candice Butts

(Figure: International Trade 2) Refer to the figure. With the tariff in this figure, the domestic quantity demanded is _____ and the quantity supplied domestically is _____.

Please choose only one answer:

- 8; 8
- 10; 10
- 9; 7
- 10; 8

Check the answer of this question online at QuizOver.com:

Question: [Figure: International Trade 2 Refer to the Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-figure-international-trade-2-refer-to-the-candice-but-3188095?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-figure-international-trade-2-refer-to-the-candice-but-3188095?pdf=1505>

4.1.120. Which of the following statements regarding trade is NOT true?

Author: Candice Butts

Which of the following statements regarding trade is NOT true?

Please choose only one answer:

- Trade raises the price of goods for both trading partners.
- Trade makes people better off when preferences differ.
- Trade increases productivity through specialization and the division of knowledge.
- Trade increases productivity through specialization and production according to comparative advantage.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following statements regarding Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-statements-regarding-candice-butts-mac?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-statements-regarding-candice-butts-mac?pdf=1505>

4.1.121. (Figure: Trade) With free international trade, the country in this ...

Author: Candice Butts

(Figure: Trade) With free international trade, the country in this figure will find that the good

Please choose only one answer:

- becomes more expensive for domestic consumers.
- does not change in price.
- becomes cheaper for domestic consumers.
- may get cheaper or more expensive for domestic consumers but it is impossible to tell.

Check the answer of this question online at QuizOver.com:

Question: [Figure: Trade With free international trade Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-figure-trade-with-free-international-trade-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-figure-trade-with-free-international-trade-candice-butts-macr?pdf=1505>

4.1.122. (Figure: Trade) In this figure representing the market for oil, wha...

Author: Candice Butts

(Figure: Trade) In this figure representing the market for oil, what are the total revenues generated by the tariff?

Please choose only one answer:

- \$25,000
- \$5,000
- \$10,000
- \$20,000

Check the answer of this question online at QuizOver.com:

Question: [Figure: Trade In this figure representing Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-figure-trade-in-this-figure-representing-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-figure-trade-in-this-figure-representing-candice-butts-macro?pdf=1505>

4.1.123. A trade quota is

Author: Candice Butts

A trade quota is

Please choose only one answer:

- a restriction on the quantity of goods that can be imported.
- the restriction of trade through regulations on domestic producers.
- a tax on exports.
- a tax on imports.

Check the answer of this question online at QuizOver.com:

Question: [A trade quota is Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-trade-quota-is-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-a-trade-quota-is-candice-butts-macro-economics-quest?pdf=1505>

4.1.124. A tariff is

Author: Candice Butts

A tariff is

Please choose only one answer:

- the restriction of trade through regulations on domestic producers.
- equal to exports minus imports.
- a tax on imports.
- a restriction on the quantity of goods that can be imported.

Check the answer of this question online at QuizOver.com:

Question: [A tariff is Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-tariff-is-candice-butts-macro-economics-quest?pdf=1505>

Interactive Question:

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4.1.125. All of the following are components in the current account EXCEPT

Author: Candice Butts

All of the following are components in the current account EXCEPT

Please choose only one answer:

- the trade balance.
- foreign aid.
- the balance of foreign direct investment flows.
- income on capital held abroad.

Check the answer of this question online at QuizOver.com:

Question: [All of the following are components in the Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-all-of-the-following-are-components-in-the-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-all-of-the-following-are-components-in-the-candice-butts-macr?pdf=1505>

4.1.126. Foreign direct investment includes

Author: Candice Butts

Foreign direct investment includes

Please choose only one answer:

- the purchase of U.S. bonds by foreigners.
- the purchase of U.S. stocks by foreigners.
- spending on construction of a new plant by foreigners in the United States.
- spending on U.S.-produced goods by foreigners.

Check the answer of this question online at QuizOver.com:

Question: [Foreign direct investment includes Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-foreign-direct-investment-includes-candice-butts-macro-econom?pdf=1505>

Interactive Question:

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4.1.127. Which of the following results in appreciation of the U.S. dollar?

Author: Candice Butts

Which of the following results in appreciation of the U.S. dollar?

Please choose only one answer:

- An increase in U.S. imports.
- An increase in foreign investment in the United States.
- An increase in Americans' demand for foreign currencies.
- An increase in U.S. capital outflow.

Check the answer of this question online at QuizOver.com:

Question: [Which of the following results in appreciation Candice Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-of-the-following-results-in-appreciation-candice-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-of-the-following-results-in-appreciation-candice-macro?pdf=1505>

4.1.128. If a country applies dollarization to its currency, it has adopted a

Author: Candice Butts

If a country applies dollarization to its currency, it has adopted a

Please choose only one answer:

- dirty float of its currency.
- managed float of its currency.
- floating exchange rate.
- fixed exchange rate with another currency.

Check the answer of this question online at QuizOver.com:

Question: [If a country applies dollarization to its Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-a-country-applies-dollarization-to-its-candice-butts-macro?pdf=1505>

Interactive Question:

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4.1.129. China is the world's leading producer of rare earth metals. What wi...

Author: Candice Butts

China is the world's leading producer of rare earth metals. What will happen to the value of the yuan if demand for rare earth metals increases and the government does not intervene?

Please choose only one answer:

- It will appreciate.
- It will neither appreciate nor depreciate.
- It will depreciate.
- It will disappear.

Check the answer of this question online at QuizOver.com:

Question: [China is the world's leading producer of Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-china-is-the-world-s-leading-producer-of-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-china-is-the-world-s-leading-producer-of-candice-butts-macro?pdf=1505>

4.1.130. A trade deficit might indicate or signal a problem of

Author: Candice Butts

A trade deficit might indicate or signal a problem of

Please choose only one answer:

- high saving.
- low saving.
- high currency value.
- low currency value.

Check the answer of this question online at QuizOver.com:

Question: [A trade deficit might indicate or signal Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-trade-deficit-might-indicate-or-signal-candice-butts-macro?pdf=1505>

Interactive Question:

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4.1.131. Contractionary monetary policy, assuming demand for the currency st...

Author: Candice Butts

Contractionary monetary policy, assuming demand for the currency stays constant, tends to result in:

Please choose only one answer:

- a currency appreciation.
- no change in exchange rates.
- a change in only real, not nominal, exchange rates.
- a currency depreciation.

Check the answer of this question online at QuizOver.com:

Question: [Contractionary monetary policy assuming Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-contractionary-monetary-policy-assuming-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-contractionary-monetary-policy-assuming-candice-butts-macro-e?pdf=1505>

4.1.132. A trade deficit occurs when

Author: Candice Butts

A trade deficit occurs when

Please choose only one answer:

- the value of a country's exports exceeds the value of its imports.
- the value of a country's imports exceeds the value of its exports.
- a government spends more than it receives in tax revenue.
- a government spends less than it receives in tax revenue.

Check the answer of this question online at QuizOver.com:

Question: [A trade deficit occurs when Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-trade-deficit-occurs-when-candice-butts-macro-economics-que?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-a-trade-deficit-occurs-when-candice-butts-macro-economics-que?pdf=1505>

4.1.133. If the exchange rate between the dollar and the euro is \$1 for €0.7...

Author: Candice Butts

If the exchange rate between the dollar and the euro is \$1 for €0.75, then the price of €1 is

Please choose only one answer:

- \$1.
- \$0.75.
- \$1.75.
- \$1.33.

Check the answer of this question online at QuizOver.com:

Question: [If the exchange rate between the dollar Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-exchange-rate-between-the-dollar-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-exchange-rate-between-the-dollar-candice-butts-macro-e?pdf=1505>

4.1.134. If in a given year Rivendell invests 500 silver coins in the Shire,...

Author: Candice Butts

If in a given year Rivendell invests 500 silver coins in the Shire, the Shire invests 300 silver coins in Rivendell, and neither invests in any other land, the Shire runs a capital

Please choose only one answer:

- surplus of 800 silver coins.
- surplus of 200 silver coins.
- deficit of 800 silver coins.
- deficit of 200 silver coins.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If in a given year Rivendell invests 500 Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-in-a-given-year-rivendell-invests-500-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-in-a-given-year-rivendell-invests-500-candice-butts-macro?pdf=1505>

4.1.135. Which theorem states that exchange rates will adjust until the pric...

Author: Candice Butts

Which theorem states that exchange rates will adjust until the prices of goods in different countries approximate each other?

Please choose only one answer:

- the principle of comparative advantage
- the law of multiple prices
- dollarization
- purchasing power parity

Check the answer of this question online at QuizOver.com:

Question: [Which theorem states that exchange rates Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-which-theorem-states-that-exchange-rates-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-which-theorem-states-that-exchange-rates-candice-butts-macro?pdf=1505>

4.1.136. An exchange rate system where the exchange rate is allowed to float...

Author: Candice Butts

An exchange rate system where the exchange rate is allowed to float unless the exchange rate reaches certain bounds is called a

Please choose only one answer:

- fixed exchange rate.
- forced market rate.
- managed float.
- floating exchange rate.

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [An exchange rate system where the exchange Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-an-exchange-rate-system-where-the-exchange-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-an-exchange-rate-system-where-the-exchange-candice-butts-macr?pdf=1505>

4.1.137. If a country has a trade surplus of \$100 million, then it has a cap...

Author: Candice Butts

If a country has a trade surplus of \$100 million, then it has a capital _____ so that the balance of payments is _____.

Please choose only one answer:

- deficit; -\$100 million
- surplus; -\$100 million
- deficit; balanced.
- surplus; \$100 million

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If a country has a trade surplus of 100 Candice Butts Macro economics](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-a-country-has-a-trade-surplus-of-100-candice-butts-macro-e?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-a-country-has-a-trade-surplus-of-100-candice-butts-macro-e?pdf=1505>

4.1.138. If the current exchange rate between the dollar and euro was \$1 to ...

Author: Candice Butts

If the current exchange rate between the dollar and euro was \$1 to €0.75 yesterday but \$1 to €0.85 today, the euro

Please choose only one answer:

- against the U.S. dollar has remained the same.
- has appreciated or depreciated against the U.S. dollar, depending on other currencies.
- has depreciated against the U.S. dollar.
- has appreciated against the U.S. dollar.

Check the answer of this question online at QuizOver.com:

Question: [If the current exchange rate between the Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-if-the-current-exchange-rate-between-the-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-if-the-current-exchange-rate-between-the-candice-butts-macro?pdf=1505>

4.1.139. Consider the exchange rate between the U.S. dollar and the Japanese...

Author: Candice Butts

Consider the exchange rate between the U.S. dollar and the Japanese yen. If the yen appreciates,

Please choose only one answer:

- the dollar must appreciate also.
- the dollar must depreciate.
- the value of the dollar will remain constant.
- the value of the dollar can increase, decrease, or remain unchanged.

Check the answer of this question online at QuizOver.com:

Question: [Consider the exchange rate between the U Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-consider-the-exchange-rate-between-the-u-candice-butts-macro?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-consider-the-exchange-rate-between-the-u-candice-butts-macro?pdf=1505>

4.1.140. A dirty or managed float is

Author: Candice Butts

A dirty or managed float is

Please choose only one answer:

- the price of one currency in another currency.
- a currency whose value is not pegged but governments will intervene extensively in the market to keep the value within a certain range.
- a yearly summary of all the economic transactions between residents of one country and residents of the rest of the world.
- the sum of the balance of trade, net income on capital held abroad, and net transfer payments.

Check the answer of this question online at QuizOver.com:

Question: [A dirty or managed float is Candice Butts Macro economics Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-a-dirty-or-managed-float-is-candice-butts-macro-economics-que?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-a-dirty-or-managed-float-is-candice-butts-macro-economics-que?pdf=1505>

4.1.141. All over the world, drug dealers keep their wealth in the form of d...

Author: Candice Butts

All over the world, drug dealers keep their wealth in the form of dollar bills, which they bury in their backyards. What would happen to the value of the dollar if drug dealers decided to switch to euros instead of U.S. dollars?

Please choose only one answer:

- The dollar would depreciate.
- The dollar would appreciate.
- There would be no change, since the euros that are to be buried won't circulate.
- There would be no change, since the dollars that were buried were not circulating.

Check the answer of this question online at QuizOver.com:

Question: [All over the world drug dealers keep their Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-all-over-the-world-drug-dealers-keep-their-candice-butts-macr?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-all-over-the-world-drug-dealers-keep-their-candice-butts-macr?pdf=1505>

4.1.142. _____ in the U.S. dollar will cause U.S. _____ to _____ in the s...

Author: Candice Butts

_____ in the U.S. dollar will cause U.S. _____ to _____ in the short run.

Please choose only one answer:

- Depreciation; aggregate supply; decrease
- Appreciation; aggregate demand; increase
- Depreciation; aggregate demand; increase
- Appreciation; aggregate supply; decrease

Check the answer of this question online at QuizOver.com:

Question: [in the U.S. dollar will cause U.S. to in Candice Butts Macro Quest](#)

Flashcards:

<http://www.quizover.com/flashcards/question-in-the-u-s-dollar-will-cause-u-s-to-in-candice-butts-macro-qu?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/question-in-the-u-s-dollar-will-cause-u-s-to-in-candice-butts-macro-qu?pdf=1505>