...spending on imported goods
D. Household saving in the Lotus financial sector
E. Firms hiring citizens of Lotus in the labor markets

Question 9: The labor force is best defined as

A The ratio of employed persons to unemployed persons
B. The total number of unemployed persons
C. The ratio of unemployed persons to employed persons
D. The total number of employed persons plus the total number of unemployed persons
E. The total number of employed persons

Question 10: Consumers, firms, and governments face _____ because we are faced with the problem of _____.

A. Trade-offs; scarcity
B. Marginal analysis; trade-offs
C. Trade-offs ; specialization
D. Marginal analysis; scarcity
E. Specialization and trade; normative economics

Question 11: Suppose we know that gross domestic product (GDP) is $10, 000 and that consumption spending is $7000, investment spending is $1500, and government spending is $2500. We can determine that

A. Net exports are equal to -$100
B. Net exports are equal to -$1000
C. Export spending is $1000 and import spending is $1000
D. Export spending is $1000 and import spending is $0
E. Net exports are equal to $1000

Question 12: Suppose that nominal gross domestic product (GDP) increased from $2000 to $2100 from year 1 to year 2. Which of the following scenarios would explain why real GDP neither increased nor decreased between your 1 and year 2?

A. The aggregate price level increased by 5%.
B. The aggregate price level decreased by 5%.
C. The aggregate price level remained constant.
D. The aggregate price level decreased by 2.5%.
E. The aggregate price level increased by 1%.

Question 13: A nation's gross domestic product (GDP) can be determined with which simple formula?

A. $GDP = C + I + G + (X - M)$
B. $GDP = C - I + G + (M - X)$
C. $GDP = C + I + G$
D. $GDP = S + I$
E. $GDP = C + I + G + X$

Question 14: In 2022 Jackie bought a 1968 Ford Mustang for $40,000. When it was new, the Mustang sold for $5000. How much did the Ford Mustang contribute to GDP in 2022?

A. $35,000
B. $40,000
C. $5,000
D. $0
E. $45,000

Question 15: Suppose the economy is experiencing a very strong expansionary stage of the business cycle. Which of the following is likely true?

A. The inflation rate is falling.
B. Gross domestic product is rising.
C. The unemployment rate is rising.
D. The employment rate is falling.
E. National income is falling.

Question 16: In a simple economy with no government sector, all money paid by firms to households in the _____ is returned to firms as consumption spending in the _____.

A. Export market; import market
B. Product markets; factor markets
C. Factor markets; product markets
D. Stock market; bond market
E. Foreign sector; domestic sector

Question 17: Which of the following is the formula for calculating the rate of inflation between two years, year 1 and year 2?

$100 \times$ (CPI year .... CPI year 1 ... CPI year 2)

C. $100 \times (CPI\ year\ 1 - CPI\ year\ 2) / CPI\ base\ year$

D. $100 \times (CPI\ year\ 2 - CPI\ year\ 1) / CPI\ year\ 1$

D. $100 \times (CPI\ year\ 2 - CPI\ year\ 1)$

E. $100 \times (CPI\ year\ 2 - CPI\ year\ 1) / CPI\ year\ 1$

Question 18: Which of the following would be an intermediate good?

A. A new skateboard your brother brought

B. Coal used in generating electricity

C. A visit to the doctor before a tropical vacation

D. Gasoline purchased for your car

E. Your vacation to the island of Yap

Question 19: Usually when the business cycle is in the ---- stage, the inflation rate is ----.

A. Trough; at its highest

B. Expansion; falling

C. Peak; at its lowest

D. Peak; negative

E. Contraction; falling

Question 20: In the nation of Xela, if people get $1 in new income, they tend to spend $0.75 and save $0.25, therefore, the _____ is _____.

A. Multiplier: 25

B. Marginal propensity to consume; 0.25

C. Multiplier; 0.75

D. Marginal propensity to consume, 0.75

E. Marginal propensity to save; 0.75

Question 21 The sum of all wages, interest, rent, and profit is called

A. Net exports

B. The budget balance

C. National savings

D. Government spending

E. National income

Question 22: The _____ is the short-run alternation between economic downturns and economic upturns.

A. Aggregate demand curve

B. Product life cycle

C. Business cycle

D. Circular flow model

E. Economic growth rate

Question 23: When the business cycle is in the _____ stage, the unemployment rate is _____.

A. Peak; at its highest

B. Contraction; falling

C. Expansion; falling

D. Expansion; equal to zero

E. Trough; at its lowest

Question 24: Which of the following transactions would be included in the nation's gross domestic product (GDP)?

A. Pam goes to the public library to read romance novels.

B. Dave sells his used economics textbook to his girlfriend.

C. Becky rakes her grandfather's leaves in exchange for a cold glass of iced tea.

D. Stan buys a new romance novel at the local bookstore.

E. Melanie decides to $500 in the bank for an emergency fund.

Question 25. When computing the value of a nation's domestic output of goods and services, we can add up all of the spending done by all sectors in the economy. In this way we are calculating national output with the

A. income approach

B. public sector approach

C. value-added approach

D. Expenditure approach

E. national savings approach

Hanoi University of Science and Technology
TROY PROGRAM

Code: 570

MIDTERM EXAMINATION
ECO251: Principles of Macroeconomic
Time allowed: 20 minutes

Part 2 : Problems Solving

Problem 1:

The data of Country as follows:

Year	Vehicle		Bread		Tablet
	Price ($)	Quantity	Price ($)	Quantity	Price ($)
2022	11,000	300	2.0	6000	200
2023	12,000	320	2.5	7000	210

a. Compute nominal GDP of 2022 and 2023? *Tổng của giá nhân SL*

b. Compute real GDP of 2023 and its growth rae, using 2022 as the base year?
Tổng của giá năm 2022 nhân số lượng hiện tại

Problem 2:

The data of the simple economy as follows: $C_0 = 150$; mpc = 80%; $I_0 = 320$.

a. Construct aggregate demand function and find the equilibrium output/income?
support your answer. $AE = C_0 + mpc \cdot Y + I_0 \Rightarrow C_0 + mpc \, Y + I_0 = Y$

b. Calculate equilibrium output by using Saving-Investment method? Show related
your answer.
$$\downarrow$$
$$S = I$$
$$\Rightarrow -C_0 + (1 - mpc) \cdot Y = I_0$$