

Fiscal Policy Quiz

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1a) $\boxed{33\%}$

b) $+ 837.5$

$+ 3843.75$

$+ 12100$

$+ 25046$

$+ 1039.5$

$\underline{42866.75}$

$\frac{42866.75}{175,000} = \boxed{24.5\%}$

2) $(0.25)^2 x = 750$

$x = 12000$

$(0.7)^2 (12000) = \boxed{\$5880}$

3) $\frac{1}{20} - \left(\left(\frac{15}{20} \right) * 0.05 \right)$

$= \boxed{0.0125} \leftarrow \text{debt-GDP Ratio}$

4) $T = 2000 + 0.10 \text{ GDP}$

3600

3500

$TR = 1500 - 0.05 \text{ GDP}$

700

750

$G = 3000$

$INT = 200$

a) $G + TR + INT - T = 3000 + 700 + 200 - 3600$
 $\boxed{= 300}$

b) $G + TR - T = 3000 + 700 - 3600 = \boxed{100}$

c) $G + TR + INT - T = 3000 + 750 + 200 - 3500$
 $\boxed{= 450}$

5) $0.03 - (0.3)(0.03) = \boxed{0.021}$

$$\frac{3000}{20000} = 0.15$$

$$6a \quad 0.15 + 0.01 - 0.02 = 0.14 = 14\%$$

$$0.15 + 0.03 - 0.02 = 0.16 = 16\%$$

$$0.15 + 0.05 - 0.03 = 0.17 = 17\%$$

7 c

8 c

9 a

10 Changes in the nominal GDP and
changes in the growth rate of nominal GDP.