

Feedback — Week Seven Quiz

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You submitted this quiz on **Fri 21 Feb 2014 5:41 AM PST**. You got a score of **25.00** out of **25.00**.

Question 1

Living standards are measured by:

Your Answer	Score	Explanation
<input type="radio"/> 1. Output per capita		
<input type="radio"/> 2. Consumption per household		
<input type="radio"/> 3. Nominal wages		
<input type="radio"/> All the above		
<input checked="" type="radio"/> 1 & 2 only	✓ 1.00	
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 2

Living standards are primarily determined by:

Your Answer	Score	Explanation
<input type="radio"/> 1. The growth of a country		
<input type="radio"/> 2. The level of worker productivity		

☐ 3. Nominal wages

☒ 1 & 2 only



1.00

☐ Don't know

Total

1.00 / 1.00

Question 3

Economic growth represents the expansion of the country's potential GDP or national output.

Your Answer	Score	Explanation
<input checked="" type="radio"/> True	✓ 1.00	
<input type="radio"/> False		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 4

The growth rate of output per person determines the rate at which the country's standard of living is rising.

Your Answer	Score	Explanation
<input checked="" type="radio"/> True	✓ 1.00	
<input type="radio"/> False		
<input type="radio"/> Don't know		

Total	1.00 / 1.00
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Question 5

The four wheels of economic growth include:

Your Answer	Score	Explanation
<input type="radio"/> 1. Capital formation and Human resources		
<input type="radio"/> 2. Natural resources and Technology		
<input checked="" type="radio"/> 3. All of the above	✓ 1.00	
<input type="radio"/> 1 only		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 6

Which of these may be the single most important element in economic growth?

Your Answer	Score	Explanation
<input checked="" type="radio"/> The quality of labor inputs	✓ 1.00	
<input type="radio"/> The quantity of workers		
<input type="radio"/> The level of wages		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 7

Why is it necessary for the government to invest in certain types of projects to fuel growth?

Your Answer	Score	Explanation
<input checked="" type="radio"/> Some government projects involve external benefits that private firms cannot capture	✓ 1.00	
<input type="radio"/> Some government projects involve internal benefits that private firms cannot capture		
<input type="radio"/> The government has more expertise than private firms as a rule		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 8

“Productive efficiency” refers to the process of a country:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Using resources in the least costly way	✓ 1.00	
<input type="radio"/> Deploying a specific mix of goods and services so that they maximize society's well-being		
<input type="radio"/> Building its manufacturing base		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 9

According to a key study by Professor Edward Denison, which factor of growth has been the most instrumental in increasing labor productivity?

Your Answer	Score	Explanation
<input type="radio"/> 1. Economies of scale		
<input type="radio"/> 2. An increase in the quantity of labor		
<input type="radio"/> 3. An increase in the quantity of capital		
<input checked="" type="radio"/> 4. Technological advance	✓ 1.00	
<input type="radio"/> 1 & 2 only		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 10

In Adam Smith's growth model, what was the most critical assumption in allowing national output to double as population doubled?

Your Answer	Score	Explanation
<input type="radio"/> Unlimited capital		
<input type="radio"/> Unlimited labor		
<input checked="" type="radio"/> Unlimited land	✓ 1.00	
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 11

In Adam Smith's growth model, output expands with population so:

Your Answer	Score	Explanation
<input checked="" type="radio"/> The real wage per worker stays constant	✓ 1.00	
<input type="radio"/> The real wage per worker rises		
<input type="radio"/> The real wage per worker falls		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 12

When new workers are added to a fixed supply of land, the marginal product of each additional worker is likely to:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Fall	✓ 1.00	
<input type="radio"/> Rise		
<input type="radio"/> Stay constant		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 13

According to the law of diminishing returns, with a fixed supply of land, the marginal product of each additional worker must:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Fall	✓ 1.00	
<input type="radio"/> Rise		
<input type="radio"/> Stay constant		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 14

In Thomas Malthus's growth model, population pressures will drive wages:

Your Answer	Score	Explanation
<input checked="" type="radio"/> To subsistence levels	✓ 1.00	
<input type="radio"/> Steadily upward		
<input type="radio"/> To a steady-state		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 15

In the world of Thomas Malthus, population will rise:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Faster than the food supply	✓ 1.00	
<input type="radio"/> Slower than the food supply		
<input type="radio"/> At the same rate as the food supply		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 16

The neoclassical growth model was pioneered by:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Robert Solow	✓ 1.00	

☒ Adam Smith☐ David Ricardo☐ Don't know

Total

1.00 / 1.00

Question 17

Capital deepening refers to the process of:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Increasing the amount of capital per worker	✓ 1.00	
<input type="radio"/> Decreasing the amount of capital per worker		
<input type="radio"/> Keeping the amount of capital per worker constant		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 18

In the absence of technological change, why does capital deepening not lead to a proportional increase in output?

Your Answer	Score	Explanation
<input checked="" type="radio"/> The law of diminishing returns	✓ 1.00	
<input type="radio"/> The law of decreasing costs		

☒ Economies of scale

☐ Don't know

Total

1.00 / 1.00

Question 19

In the absence of technological change, in the neoclassical growth model, what happens to wages for workers and the returns to capital before the economy reaches a steady-state of stagnation?

Your Answer	Score	Explanation
<input checked="" type="radio"/> Wages rise and the returns to capital fall	✓ 1.00	
<input type="radio"/> Wages fall and the returns to capital rise		
<input type="radio"/> Both wages and the returns to capital rise		
<input type="radio"/> Both wages and the returns to capital fall		
<input type="radio"/> Don't know		
Total	1.00 / 1.00	

Question 20

In the neoclassical growth model, if economic growth consists only of accumulating capital through replicating factories with existing methods of production, what happens to the standard of living?

Your Answer	Score	Explanation
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☒ It eventually stops rising ✓ 1.00

☐ It falls

☐ It continues to rise

☐ Don't know

Total 1.00 / 1.00

Question 21

In the neoclassical growth model, what happens to wages and returns to capital with technological change?

Your Answer	Score	Explanation
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☒ Both wages and the returns to capital rise ✓ 1.00

☐ Wages fall and the returns to capital rise

☐ Wages rise and the returns to capital fall

☐ Both wages and the returns to capital fall

☐ Don't know

Total 1.00 / 1.00

Question 22

In traditional economics, what is the most essential measure of growth?

Your Answer	Score	Explanation
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☒ GDP per capita ✓ 1.00

☐ GDP

☐ GDP per worker

☐ Don't know

Total 1.00 / 1.00

Question 23

Examples of government policies to increase the ratio of capital labor include:

Your Answer

Score

Explanation

☒ Accelerated depreciation ✓ 1.00

☐ The minimum wage

☐ The capital gains tax

☐ All of the above

☐ Don't know

Total 1.00 / 1.00

Question 24

A higher savings rate will:

Your Answer

Score

Explanation

☒ Increase investment funds and increase productivity ✓ 1.00

☐ Reduce investment funds and decrease productivity

☐ Have no effect on investment funds and productivity

☐ Don't know

Total

1.00 / 1.00

Question 25

Examples of government policies to boost the savings rate include:

Your Answer

Score

Explanation

☐ 1. Tax preferences for Individual Retirement Accounts

☐ 2. Tax preferences for pension funds

☐ 3. Tax increases on retirement income

☐ All of the above

☒ 1 & 2 only

✓ 1.00

☐ Don't know

Total

1.00 / 1.00

