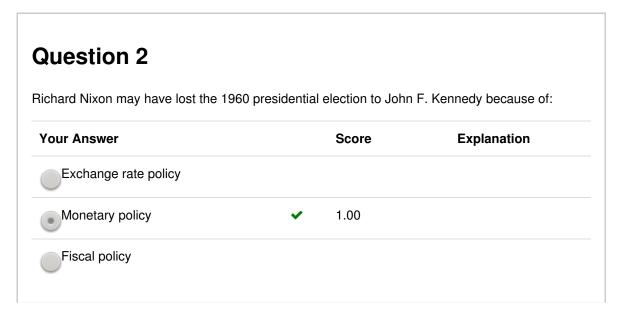
# Feedback — Week Four Quiz

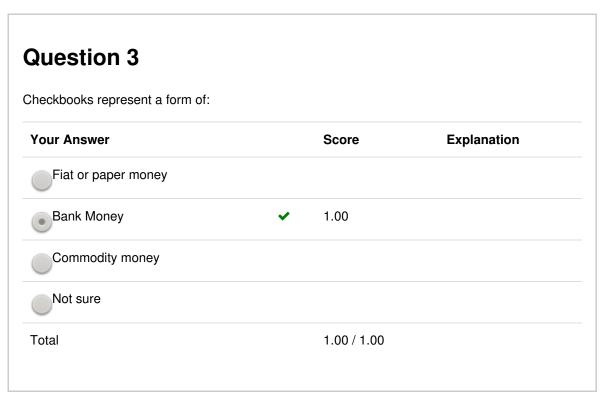
Help

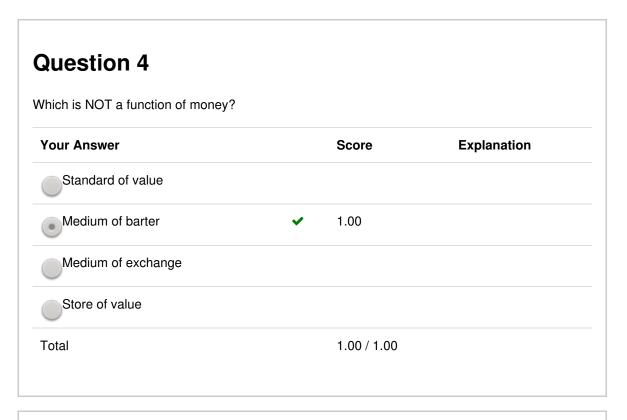
You submitted this quiz on **Sun 9 Feb 2014 2:47 PM PST**. You got a score of **43.00** out of **43.00**.

our Answer	Score	Explanation
1. Contract the economy		
2. Expand the economy		
3. Diversify the economy		
1 & 2 only	<b>✓</b> 1.00	
2 & 3 only		
otal	1.00 / 1.00	



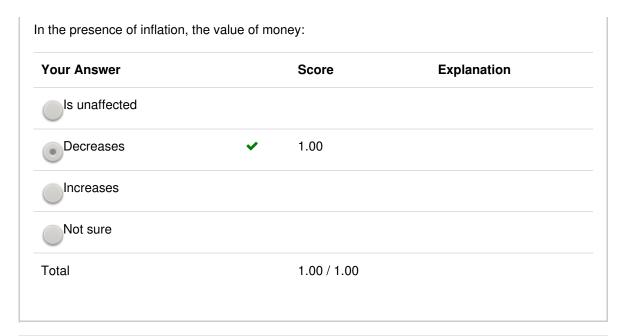
Not sure	
Total	1.00 / 1.00

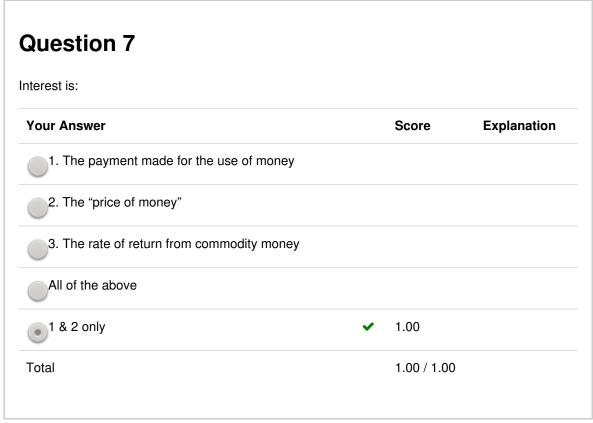




# Question 5 When we say that one stick of butter exchanges for two loaves of bread, we are referring to what function of money? Your Answer Score Explanation Medium of barter Standard of value ✓ 1.00 Medium of exchange Store of value Total 1.00 / 1.00

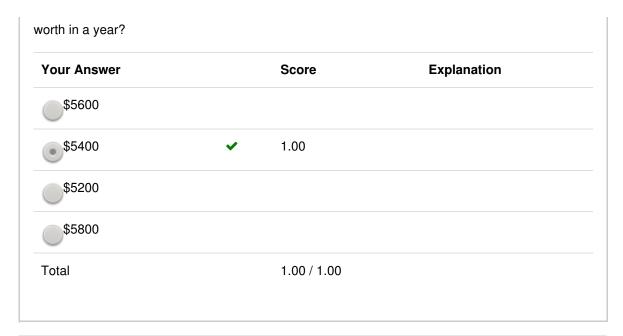
# **Question 6**

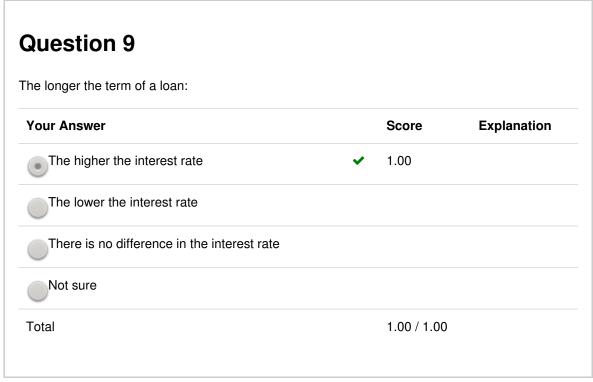


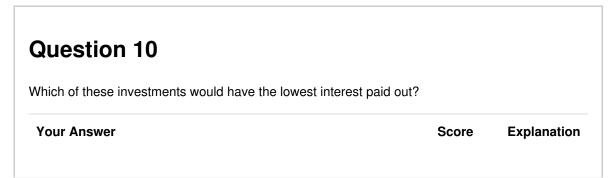


# **Question 8**

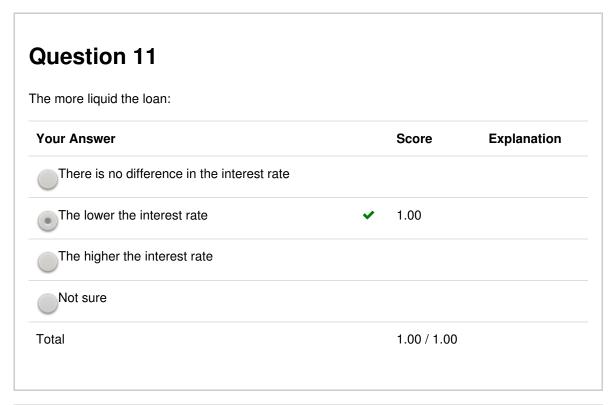
Suppose the interest rate is 8% and you deposit \$5000 in the bank. What will your deposit be

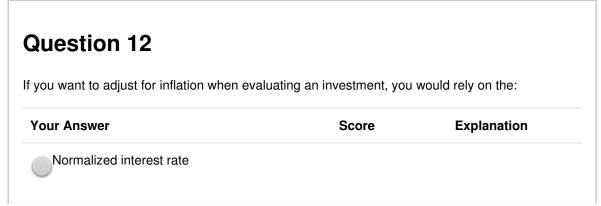


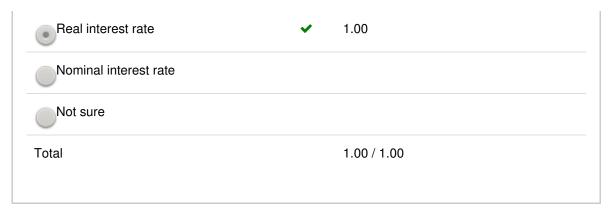




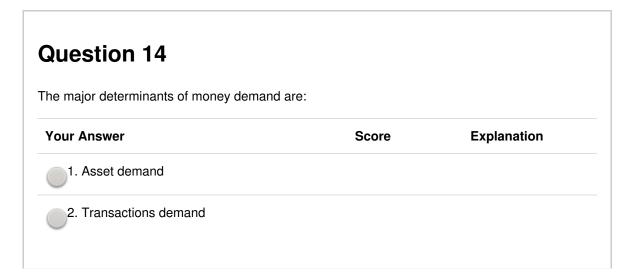
The "junk bonds" of businesses close to bankrupto	у,
The bonds of the U.S. government	<b>✓</b> 1.00
The bonds of countries with large overseas debt ar unstable political systems.	nd
The municipal bonds of cities with shrinking tax bas	ses,
Total	1.00 /
	1.00

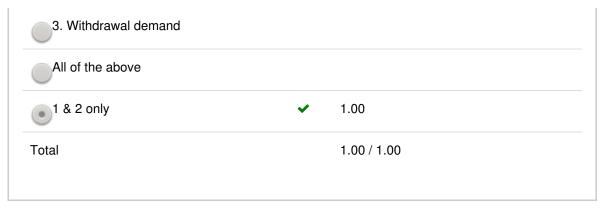


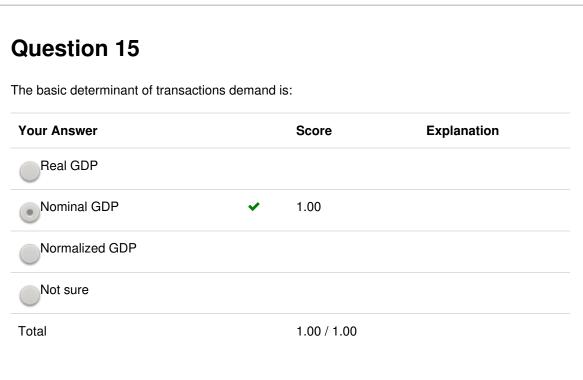


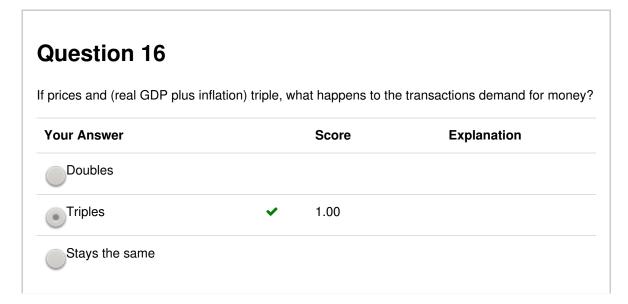


# Question 13 Suppose the nominal interest rate is 12% and the real interest rate is 6%. What must be the rate of inflation? Your Answer Score Explanation 18% ✓ 1.00 6% ✓ 1.00 Total 1.00 / 1.00



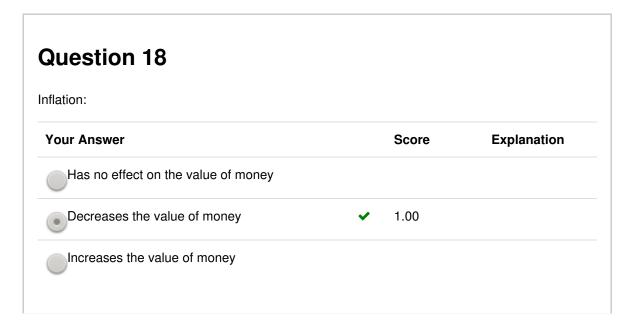




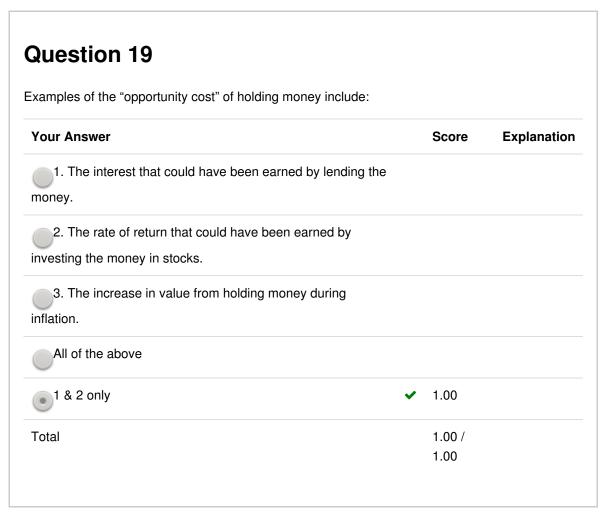


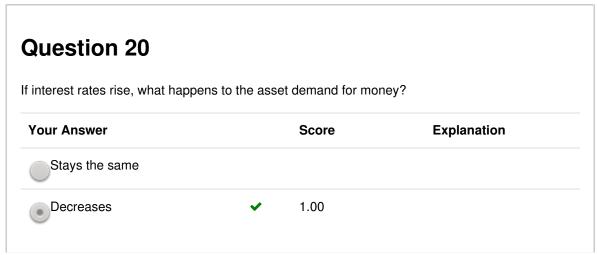


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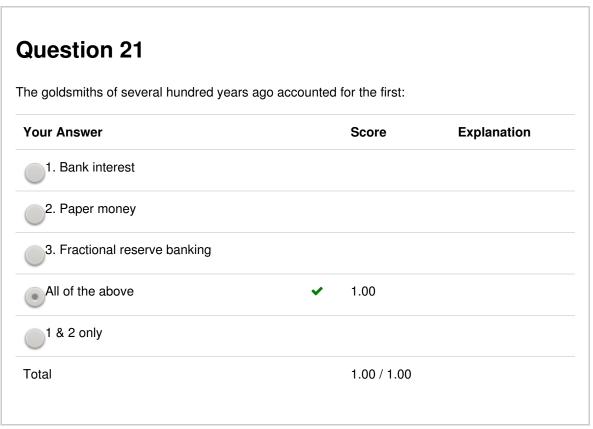


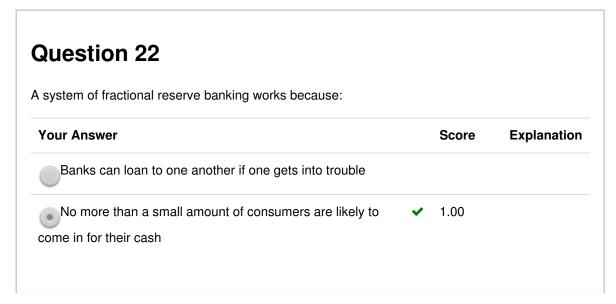


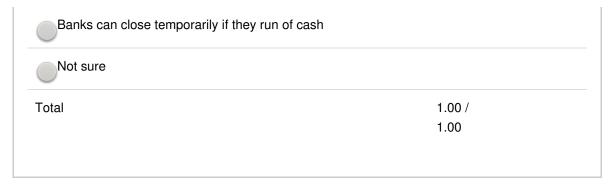


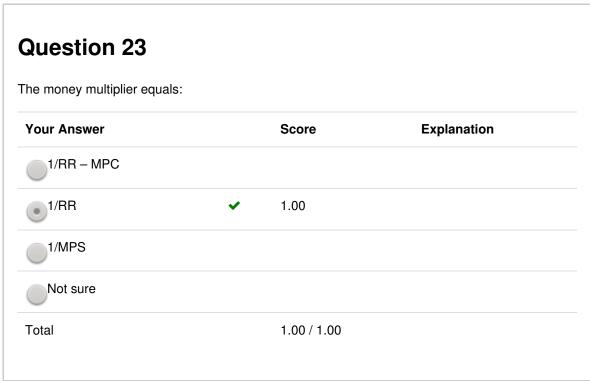


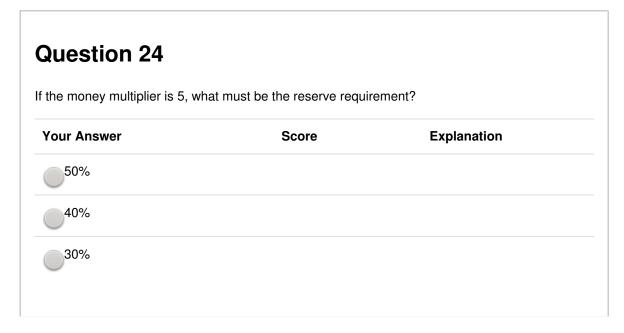


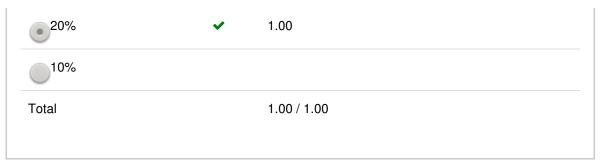


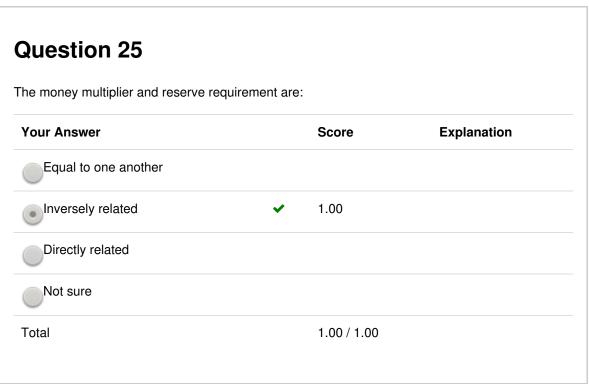


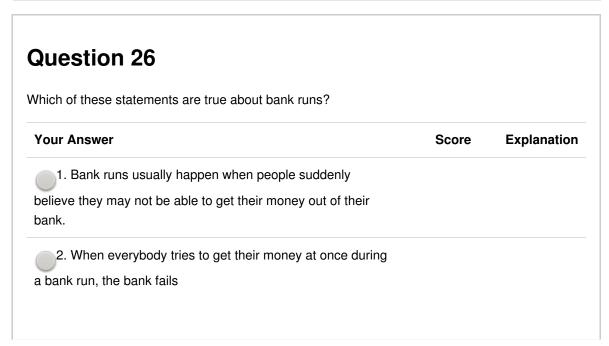


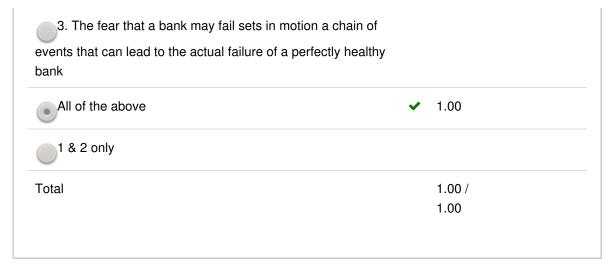




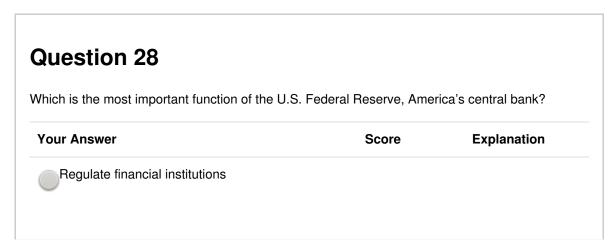




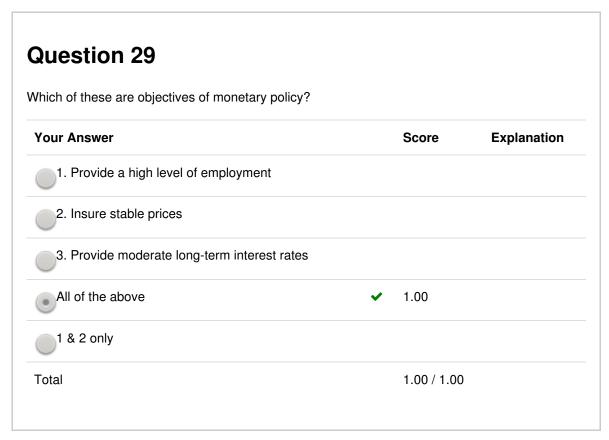


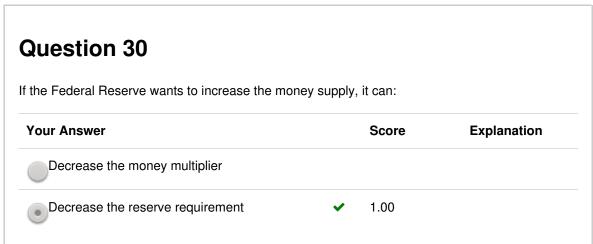


# Question 27 A major purpose of a nation's central bank is to be: Your Answer Score Explanation The primary lender in the banking system The lender of last resort ✓ 1.00 The lender of first resort Not sure Total 1.00 / 1.00

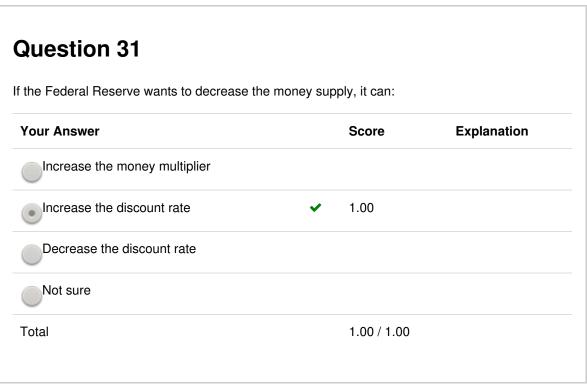


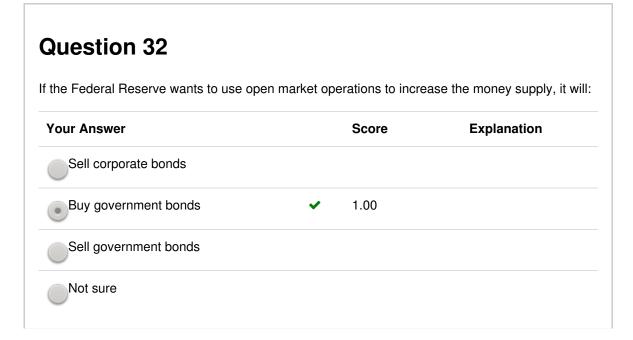
Conduct monetary policy	<b>✓</b> 1.00	
Issue currency		
Not sure		
Total	1.00 / 1.00	











Total 1.00 / 1.00

# **Question 33**

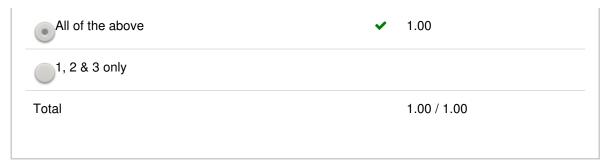
Suppose the Federal Reserve wants to close a recessionary gap of \$100 billion and the reserve requirement is 20%. How much money will it have to create to close this gap?

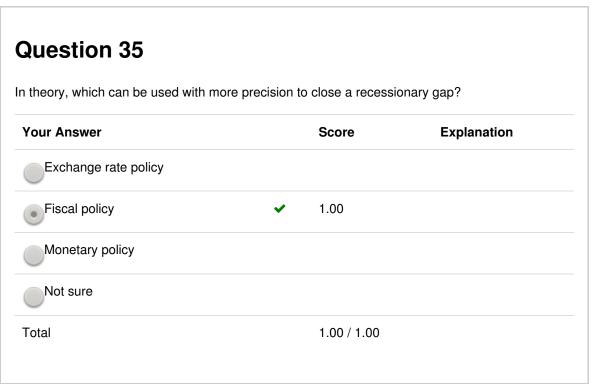
Your Answer		Score	Explanation
Cannot be determined from the information	<b>~</b>	1.00	
\$10 billion			
\$20 billion			
\$50 billion			
Not sure			
Total		1.00 / 1.00	

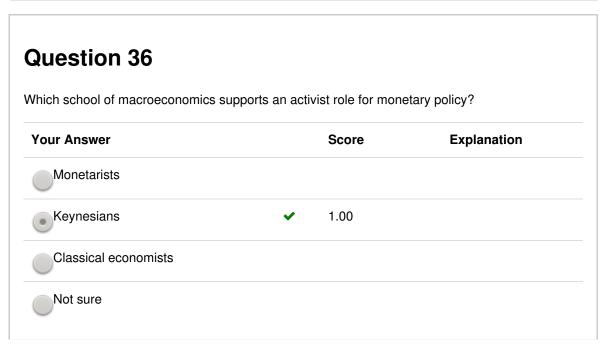
# **Question 34**

The monetary transmission mechanism involves which of the following to close a recessionary gap?

Your Answer	Score	Explanation
1. An increase in the money supply		
2. A fall in interest rates		
3. An increase in investment and consumption		
4. An increase in exports		





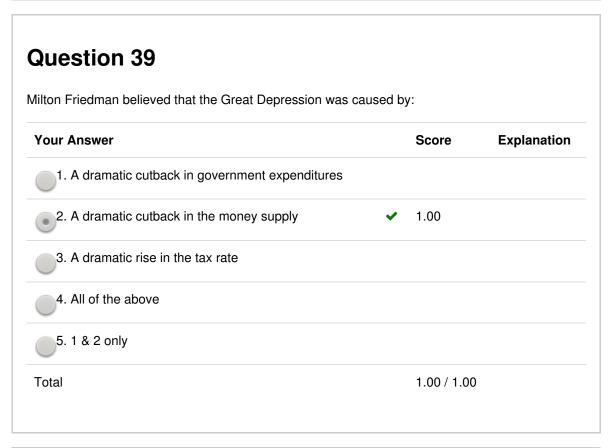


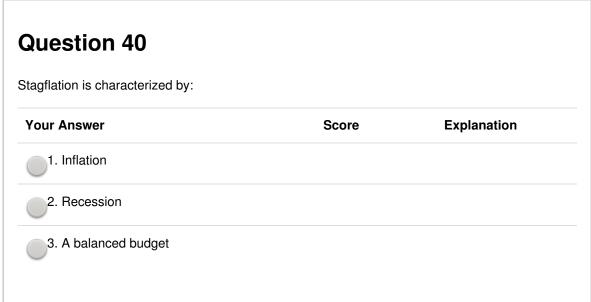
Total 1.00 / 1.00

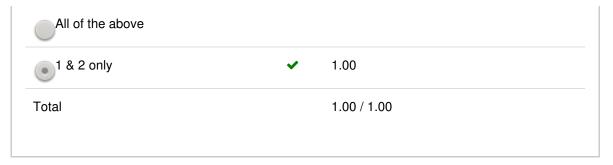
# Question 37 Which type of gap is monetary policy likely to be most effective at closing, according to the Keynesians? Your Answer Score Explanation Stagflationary gap ✓ 1.00 Recessionary gap ✓ 1.00 Not sure Total 1.00 / 1.00

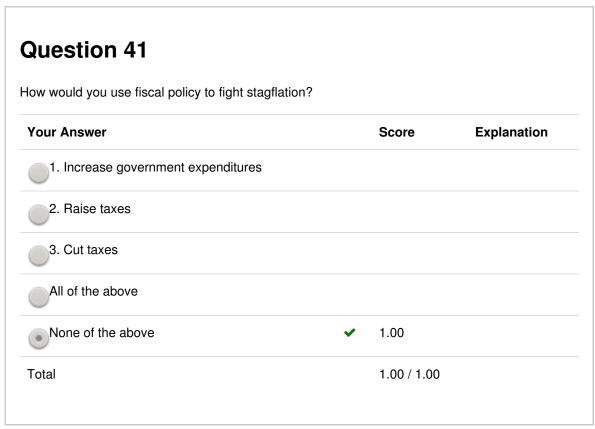
accueling to the Manatoviete.		
According to the Monetarists:	Coore	Evalenation
Your Answer	Score	Explanation
Inflation happens when the government prints too much money.		
2. Recession happens when the government prints too little money.		
3. Stagflation happens when the government refuses to print additional money		

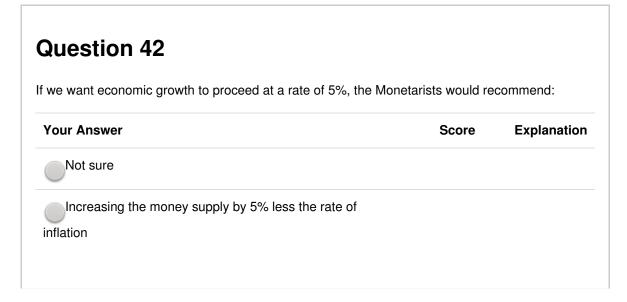
1 & 2 only	<b>✓</b> 1.00
Total	1.00 /
	1.00

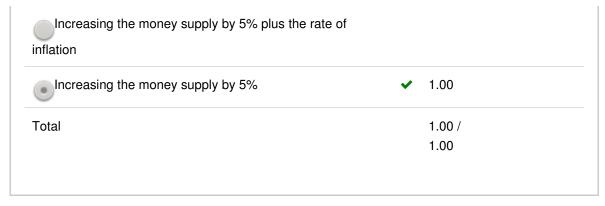


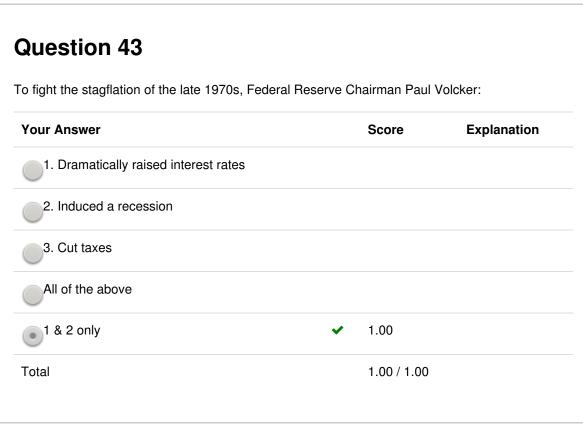












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