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Feedback — Week Two Quiz

Help

You submitted this quiz on **Wed 15 Jan 2014 2:05 PM PST**. You got a score of **28.00** out of **28.00**.

he Classical versus Keynesian controversy is primarily a dispute	e aboı	ut:	
Your Answer		Score	Explanation
Whether tax cuts or increased government spending			
should be used to stimulate an economy			
How the free market works			
Not sure			
How economies adjust and find their way back to full employment	~	1.00	
Total		1.00 /	
		1.00	

Question 2

The Classical view is that:

Your Answer		Score	Explanation
A price adjustment mechanism will bring the economy back to full employment	~	1.00	

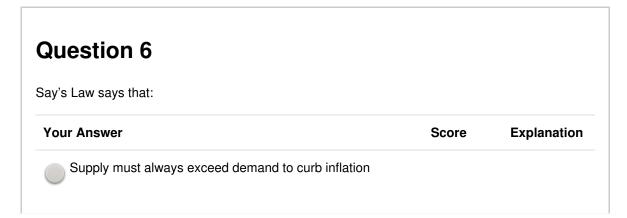
An income adjustment mechanism will bring back to full employment	the economy
A currency adjustment mechanism will bring back to full employment	g the economy
Not sure/don't know	
Total	1.00 /
	1.00

Question 3			
aissez Faire economists believe:			
Your Answer		Score	Explanation
A relatively small government sector is best	~	1.00	
A relatively big government sector is best			
No government is best			
Not sure			
Total		1.00 / 1.00	

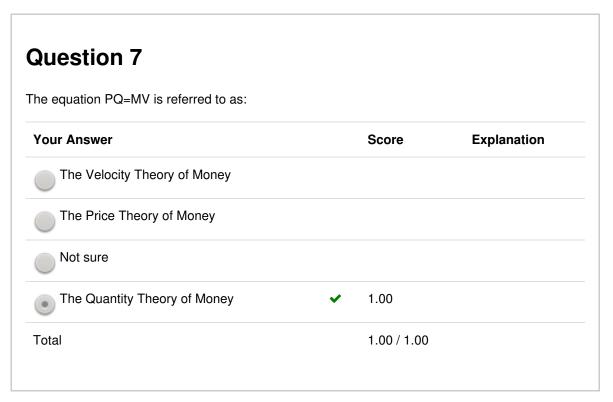
Question 4			
Classical economics views unemployment:			
Your Answer		Score	Explanation
As a natural part of the business cycle and is self-correcting	~	1.00	

1.00 /	
1.00	

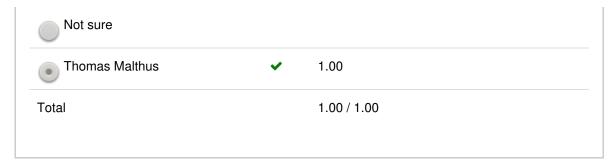
Question 5 John Maynard Keynes believed that: Your Answer Score Explanation Unemployment would be solved by tax increases Unemployment would be solved through adjustments in wages and prices Not sure Unemployment would be solved through government expenditures ✓ 1.00 Total 1.00 / 1.00

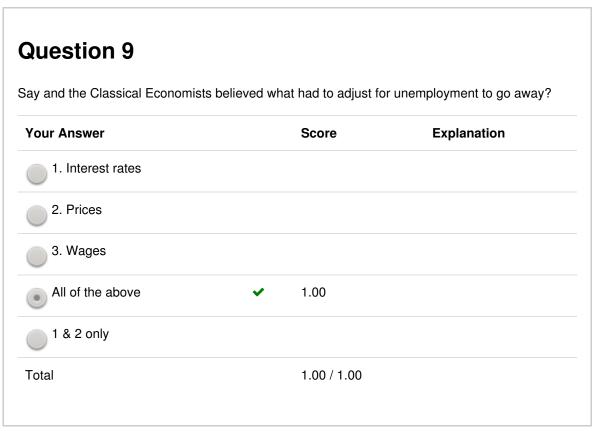


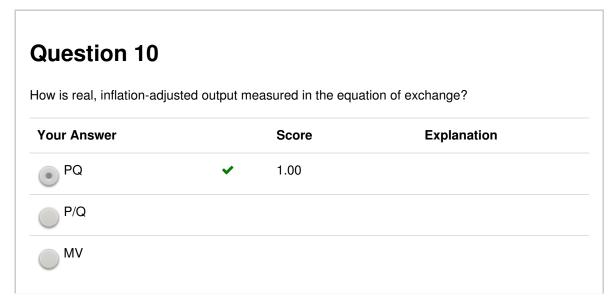
Demand creates its own supply	
Not sure	
Supply creates its own demand	✓ 1.00
Total	1.00 / 1.00

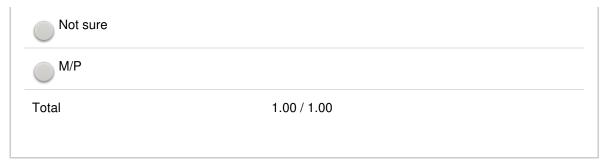


Who stated this critique of Say's Law: "If people don't spend all of their money, there will be a glut of goods and people would be out of work." Your Answer Score Explanation David Ricardo Adam Smith

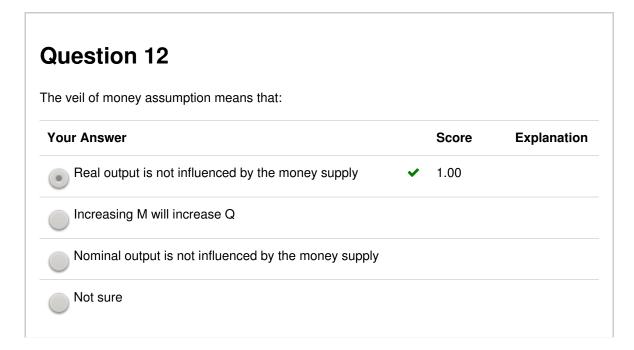






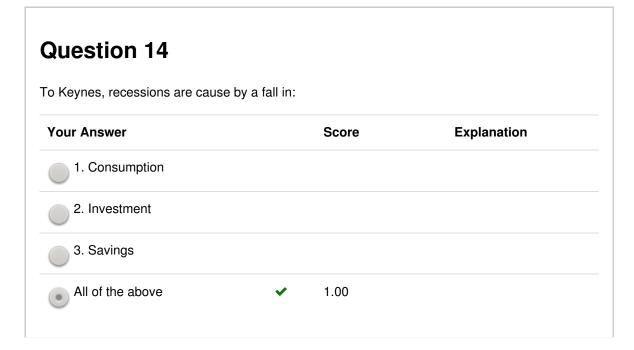


Question 11 If the quantity of money increases in the quantity theory of money equation, what must increase? Your Answer Score Explanation Velocity Quantity Not sure Not sure Price ✓ 1.00 Total 1.00 / 1.00



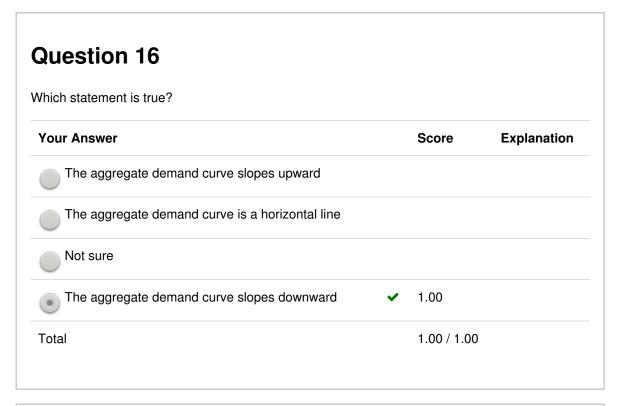
Total 1.00 / 1.00

Question 13 Keynes believed that the Classical economist's price adjustment mechanism would: **Your Answer Score Explanation** Work together with the income adjustment mechanism to cure recessions Solve the Great Depression through the quantity of money equation Not sure 1.00 eBy dwarfed by a more powerful income adjustment mechanism Total 1.00 / 1.00





Question 15			
ne AS-AD framework:			
Your Answer		Score	Explanation
Is independent of prices			
Assumes prices are fixed			
Not sure			
Allows for price adjustments	~	1.00	
Fotal		1.00 / 1.00	



Question 17 The "real balance" or "wealth effect" means that as prices fall: Your Answer Score Explanation Purchasing power stays the same Purchasing power falls Not sure Purchasing power rises ✓ 1.00 Total 1.00 / 1.00

Question 18

Your Answer		Score	Explanation
1. Exports rise			
2. Imports fall			
3. Aggregate quantity demanded decreases			
All of the above			
1 & 2 only	~	1.00	
Total		1.00 / 1.00	

Question 19 Your Answer Score Explanation 1. Taxes are cut 2. Interest rates fall 3. Excess capacity rises All of the above 1 & 2 only ✓ 1.00 Total 1.00 / 1.00

Question 20

The aggregate demand curve will shift in or to the left if:

Your Answer

Score

Explanation

Excess capacity increases

1.00

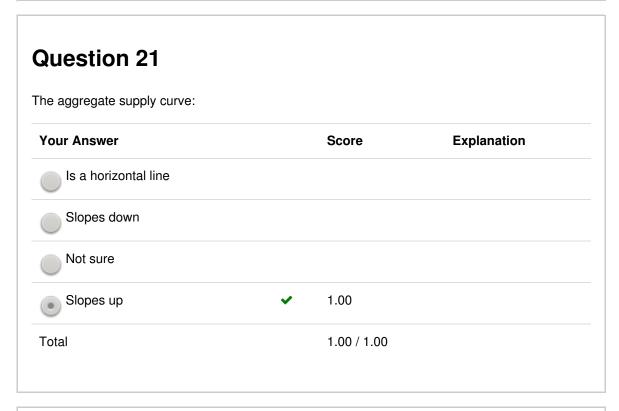
Consumer confidence improves

Not sure

Government spending rises

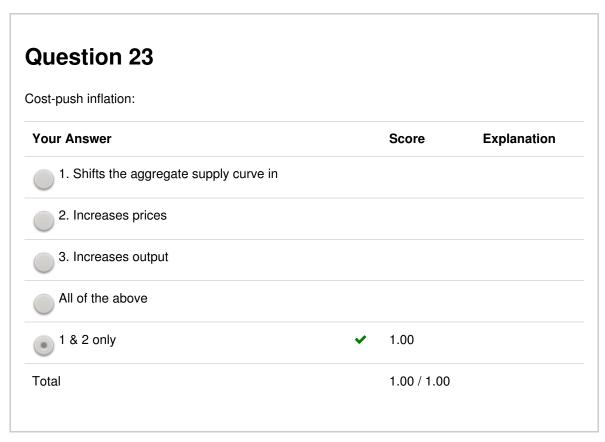
Total

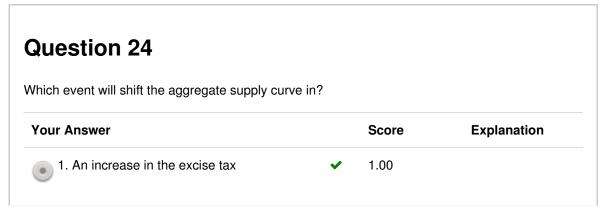
1.00 / 1.00



Question 22 Which way will the aggregate supply shift if the price of imported oil rises? Your Answer Score Explanation

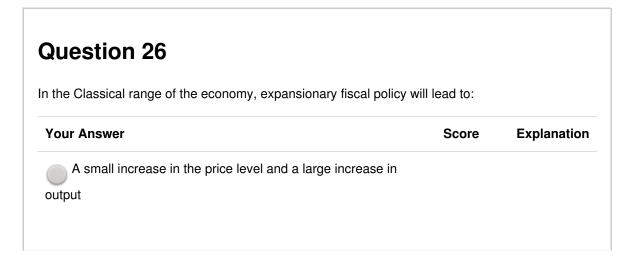
Right		
Out		
Not sure		
In	✓	1.00
Total		1.00 / 1.00

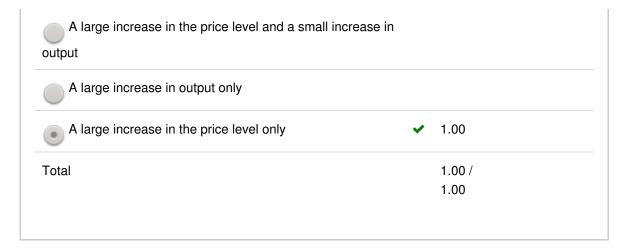




2. A decrease in the sales tax	
3. A decrease in the payroll tax	
1 & 2 only	
Not sure	
Total	1.00 / 1.00

Question 25 In which range of the economy are prices fixed? Your Answer Score Explanation Classical range Intermediate range Not sure Keynesian range ✓ 1.00 Total 1.00 / 1.00





Question 28 The Classical Price Adjustment Mechanism will return the economy to full employment at: Your Answer Score Explanation With no impact on the price level

A higher price level	
Not sure	
A lower price level	✓ 1.00
Total	1.00 / 1.00

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