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Feedback — Week One Quiz

Help

You submitted this quiz on **Fri 10 Jan 2014 5:14 PM PST**. You got a score of **26.00** out of **26.00**.

Question 1

Learning the principles of macroeconomics can help you make better decisions in both your personal and professional life.

Your Answer	Score	Explanation
<input checked="" type="radio"/> True	✓ 1.00	
<input type="radio"/> False		
Total	1.00 / 1.00	

Question 2

If consumer confidence falls and unemployment rises, what happens to the probability of a recession?

Your Answer	Score	Explanation
<input type="radio"/> It goes down		
<input checked="" type="radio"/> It goes up	✓ 1.00	
<input type="radio"/> Not sure		
<input type="radio"/> There is no effect		

Total

1.00 / 1.00

Question 3

Which type of unemployment do economists primarily focus on curing?

Your Answer	Score	Explanation
<input type="radio"/> Frictional		
<input checked="" type="radio"/> Cyclical	✓ 1.00	
<input type="radio"/> Pervasive		
<input type="radio"/> Structural		
Total	1.00 / 1.00	

Question 4

If a world wide drought causes a rise in food prices and conflict in the Middle East causes oil prices to rise, this will contribute to:

Your Answer	Score	Explanation
<input checked="" type="radio"/> 1. Cost-push Inflation	✓ 1.00	
<input type="radio"/> 2. Demand-pull Inflation		
<input type="radio"/> Both 1 and 2		
<input type="radio"/> Neither		
Total	1.00 / 1.00	

Question 5

Which type of inflation index measures changes in the cost of important raw materials?

Your Answer	Score	Explanation
<input type="radio"/> The CPI		
<input checked="" type="radio"/> The PPI	✓ 1.00	
<input type="radio"/> The I don't know		
<input type="radio"/> The FBI		
Total	1.00 / 1.00	

Question 6

If price inflation rises faster than wages, what happens to our purchasing power?

Your Answer	Score	Explanation
<input checked="" type="radio"/> Falls	✓ 1.00	
<input type="radio"/> Rises		
<input type="radio"/> Stays the same		
<input type="radio"/> We need to find a new job		
Total	1.00 / 1.00	

Question 7

Unexpected inflation can:

Your Answer	Score	Explanation
<input type="radio"/> Benefit Lenders		
<input checked="" type="radio"/> Benefit Borrowers	✓ 1.00	
<input type="radio"/> Not Sure		
<input type="radio"/> Benefit Nobody		
Total	1.00 / 1.00	

Question 8

The “Flow of Expenditures” approach is calculated by adding:

Your Answer	Score	Explanation
<input type="radio"/> Real GDP plus Nominal GDP		
<input checked="" type="radio"/> Consumption, investment, government spending, and net exports	✓ 1.00	
<input type="radio"/> Not sure		
<input type="radio"/> Wages, rents, interest, and profits		
Total	1.00 / 1.00	

Question 9

If actual output is above potential output, we run the risk of:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Inflation	1.00	
<input type="radio"/> Recession		
<input type="radio"/> Stagflation		
<input type="radio"/> Armageddon		
Total	1.00 / 1.00	

Question 10

Real Gross Domestic Product (GDP) is equal to:

Your Answer	Score	Explanation
<input type="radio"/> Nominal GDP plus inflation		
<input checked="" type="radio"/> Nominal GDP minus inflation	1.00	
<input type="radio"/> Virtual GDP plus interest		
<input type="radio"/> Nominal GDP plus stagflation		
Total	1.00 / 1.00	

Question 11

Forecasting the business cycle is important to:

Your Answer	Score	Explanation
<input type="radio"/> Business executives interested in implementing their plans and strategies		

<input type="radio"/>	Polymakers interested in fighting recession or inflation		
<input type="radio"/>	Stock market investors interested in allocating funds to various assets		
<input checked="" type="radio"/>	All of the above	✓	1.00
Total			1.00 / 1.00

Question 12

If the government wants to use fiscal policy to stimulate the economy, it will:

Your Answer	Score	Explanation
<input type="radio"/> Increase government spending and increase taxes		
<input checked="" type="radio"/> Increase government spending and cut taxes	✓ 1.00	
<input type="radio"/> Cut government spending and cut taxes		
<input type="radio"/> Cut government spending and raise taxes		
Total	1.00 / 1.00	

Question 13

If the government wants to use monetary policy to fight inflation, it will:

Your Answer	Score	Explanation
<input type="radio"/> Increase the money supply		
<input checked="" type="radio"/> Decrease the money supply	✓ 1.00	

☐ Increase government spending

☐ Decrease government spending

Total

1.00 / 1.00

Question 14

The Kennedy Tax Cut of 1964 was a modern day version of:

Your Answer	Score	Explanation
<input type="radio"/> Classical economics		
<input checked="" type="radio"/> Keynesian economics	✓ 1.00	
<input type="radio"/> Monetarism		
<input type="radio"/> Marxism		
Total	1.00 / 1.00	

Question 15

President Lyndon Johnson's refusal to cut his Great Society programs to finance the Vietnam War resulted in:

Your Answer	Score	Explanation
<input type="radio"/> Cost-push Inflation		
<input checked="" type="radio"/> Demand-pull inflation	✓ 1.00	
<input type="radio"/> Hyperinflation		

☐ Stagflation

Total

1.00 / 1.00

Question 16

What is the Keynesian dilemma when it comes to curing stagflation?

Your Answer	Score	Explanation
<input type="radio"/> Stimulating the economy to cure unemployment decreases inflation.		
<input type="radio"/> Not sure		
<input checked="" type="radio"/> Stimulating the economy to cure unemployment increases inflation	✓ 1.00	
Total	1.00 / 1.00	

Question 17

When the economy simultaneously suffers from inflation and unemployment, this is called:

Your Answer	Score	Explanation
<input checked="" type="radio"/> Stagflation	✓ 1.00	
<input type="radio"/> Hyperinflation		
<input type="radio"/> Demand-pull inflation		
<input type="radio"/> Cost-push inflation		
Total	1.00 / 1.00	

Question 18

The Classical economists believed that:

Your Answer	Score	Explanation
<input type="radio"/> The economy needs fiscal or monetary stimulus to recover from a recession		
<input checked="" type="radio"/> The economy is self-correcting	✓ 1.00	
<input type="radio"/> The 56 Chevy is the best classic car ever built		
<input type="radio"/> The economic cycle depends on the phases of the moon		
Total	1.00 / 1.00	

Question 19

The Monetarists believe that inflation is caused by:

Your Answer	Score	Explanation
<input type="radio"/> Printing too little money		
<input checked="" type="radio"/> Printing too much money	✓ 1.00	
<input type="radio"/> Not sure		
<input type="radio"/> Counterfeiting money		
Total	1.00 / 1.00	

Question 20

Who famously said “in the long run, we’re all dead.”

Your Answer	Score	Explanation
<input checked="" type="radio"/> John Maynard Keynes	✓ 1.00	
<input type="radio"/> Franklin Delano Roosevelt		
<input type="radio"/> Jean Baptiste Say		
<input type="radio"/> Freddy Krueger		
Total	1.00 / 1.00	

Question 21

Fiscal policy relies on:

Your Answer	Score	Explanation
<input type="radio"/> 1. Changes in government expenditures		
<input type="radio"/> 2. Changes in taxes		
<input type="radio"/> 3. Changes in the money supply		
<input checked="" type="radio"/> Both 1 and 2	✓ 1.00	
<input type="radio"/> Both 2 and 3		
Total	1.00 / 1.00	

Question 22

Supply side economics promises to:

Your Answer	Score	Explanation
<input type="radio"/> Raise taxes to lower the budget deficit		
<input checked="" type="radio"/> Lower taxes to lower the budget deficit	✓ 1.00	
<input type="radio"/> Raise taxes to increase the budget deficit		
<input type="radio"/> Lower taxes to increase the budget deficit		
Total	1.00 / 1.00	

Question 23

The theory of Rational Expectations supports the use of discretionary fiscal and monetary policies

to control inflation and solve unemployment.

Your Answer		Score	Explanation
<input checked="" type="radio"/> False	✓	1.00	
<input type="radio"/> True			
<input type="radio"/> Not sure			
Total		1.00 / 1.00	

Question 24

Which was the most prosperous decade?

Your Answer		Score	Explanation
<input type="radio"/> The 2000s			
<input checked="" type="radio"/> The 1990s	✓	1.00	
<input type="radio"/> The 1970s			
<input type="radio"/> The 1980s			
Total		1.00 / 1.00	

Question 25

What contributed to the slow growth of the United States during the 2000s?

Your Answer	Score	Explanation
<input type="radio"/> Wars in Iraq and Afghanistan		

<input type="radio"/>	Collapse of a housing bubble		
<input type="radio"/>	China's entry into the World Trade Organization		
<input checked="" type="radio"/>	All of the above	✓	1.00
Total		1.00 / 1.00	

Question 26

The application of a massive fiscal and monetary policy after the Great Recession of 2007:

Your Answer	Score	Explanation
<input type="radio"/> Was highly successful		
<input checked="" type="radio"/> Was moderately successful	✓ 1.00	
<input type="radio"/> Was applauded by the ghost of Milton Friedman		
<input type="radio"/> Was a total failure		
Total		1.00 / 1.00

