Quiz (chapter 13) Results

ⓘ Correct answers will be available on Feb 14 at 12am.

Score for this quiz: **13** out of 13
Submitted Feb 11 at 7:36am
This attempt took 4 minutes.

Question 1

1 / 1 pts

A bond is a

- financial intermediary.
- certificate of indebtedness.
- certificate of partial ownership in an enterprise.
- None of the above is correct.

Question 2

1 / 1 pts

Stock represents

- a claim to a share of the profits of a firm.
- ownership in a firm.
- equity finance.
- All of the above are correct

Question 3

1 / 1 pts

Scenario 26-3. Assume the following information for an imaginary, open economy.

Consumption = \$1,000; investment = \$200; net exports = -\$50;
taxes = \$230; private saving = \$225; and national saving = \$150.

Refer to Scenario 26-3. This economy's government is running a

- budget deficit of \$75.
- budget deficit of \$80.
- budget deficit of \$50.
- budget deficit of \$100.

Question 4

1 / 1 pts

Scenario 26-3. Assume the following information for an imaginary, open economy.

Consumption = \$1,000; investment = \$200; net exports = -\$50;
taxes = \$230; private saving = \$225; and national saving = \$150.

Refer to Scenario 26-3. For this economy, government purchases amount to

- \$330.
- \$280.
- \$305.
- \$310.

Question 5

1 / 1 pts

Scenario 26-3. Assume the following information for an imaginary, open economy.

Consumption = $1,000; investment = $200; net exports = -$50;
taxes = $230; private saving = $225; and national saving = $150.

Refer to Scenario 26-3. For this economy, GDP equals

- $1,480.
- $1,505.
- $1,460
- $1,455.

Question 6

1 / 1 pts

The slope of the demand for loanable funds curve represents the

- positive relation between the real interest rate and investment.
- negative relation between the real interest rate and investment.
- positive relation between the real interest rate and saving.
- negative relation between the real interest rate and saving.

Question 7

1 / 1 pts

The slope of the supply of loanable funds curve represents the positive relation between the real interest rate and investment.

positive relation between the real interest rate and saving.

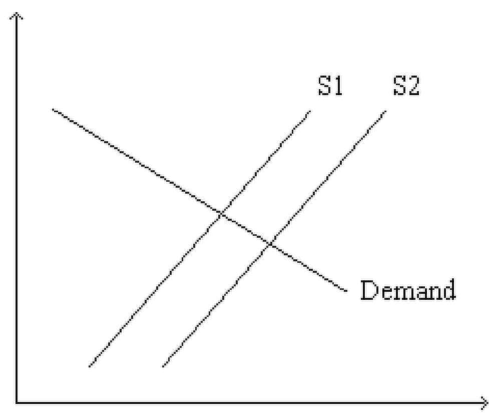
negative relation between the real interest rate and investment.

negative relation between the real interest rate and saving.

Question 8

1 / 1 pts

Figure 26-1. The figure depicts a demand-for-loanable-funds curve and two supply-of-loanable-funds curves.



Refer to Figure 26-1. What is measured along the vertical axis of the graph?

the nominal interest rate

the real interest rate

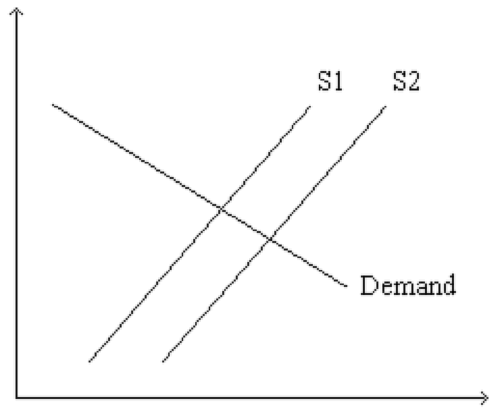
the quantity of investment

the quantity of saving

Question 9

1 / 1 pts

Figure 26-1. The figure depicts a demand-for-loanable-funds curve and two supply-of-loanable-funds curves.



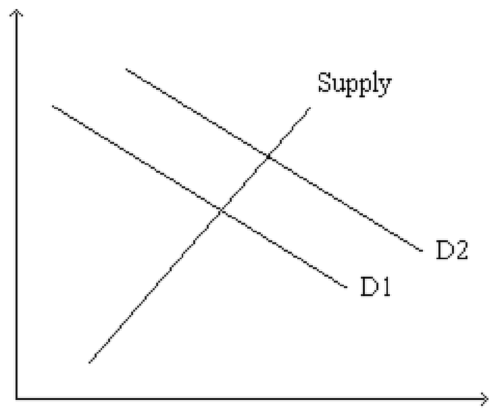
Refer to Figure 26-1. Which of the following events would shift the supply curve from S1 to S2?

- In response to tax reform, firms are encouraged to invest more than they previously invested.
- In response to tax reform, households are encouraged to save more than they previously saved.
- Government goes from running a balanced budget to running a budget deficit.
- Any of the above events would shift the supply curve from S1 to S2.

Question 10

1 / 1 pts

Figure 26-2. The figure depicts a supply-of-loanable-funds curve and two demand-for-loanable-funds curves.



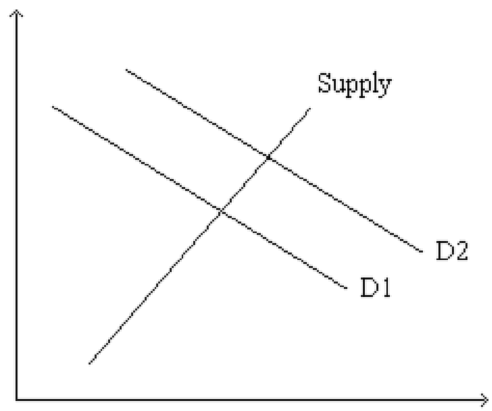
Refer to Figure 26-2. What is measured along the horizontal axis of the graph?

- (selected) the quantity of loanable funds
- the size of the government budget deficit or surplus
- the real interest rate
- the nominal interest rate

Question 11

1 / 1 pts

Figure 26-2. The figure depicts a supply-of-loanable-funds curve and two demand-for-loanable-funds curves.



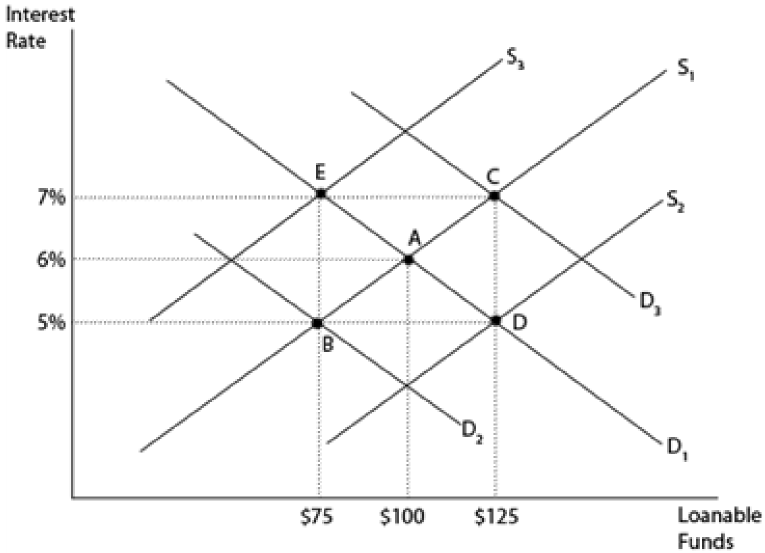
Refer to Figure 26-2. Which of the following events would shift the demand curve from D1 to D2?

- The government goes from running a budget deficit to running a budget surplus.
- Firms become optimistic about the future and, as a result, they plan to increase their purchases of new equipment and construction of new factories.
- A change in the tax laws encourages people to consume less and save more.
- A change in the tax laws encourages people to consume more and save less.

Question 12

1 / 1 pts

Figure 26-5. Figure 26-5 shows the loanable funds market for a closed economy.



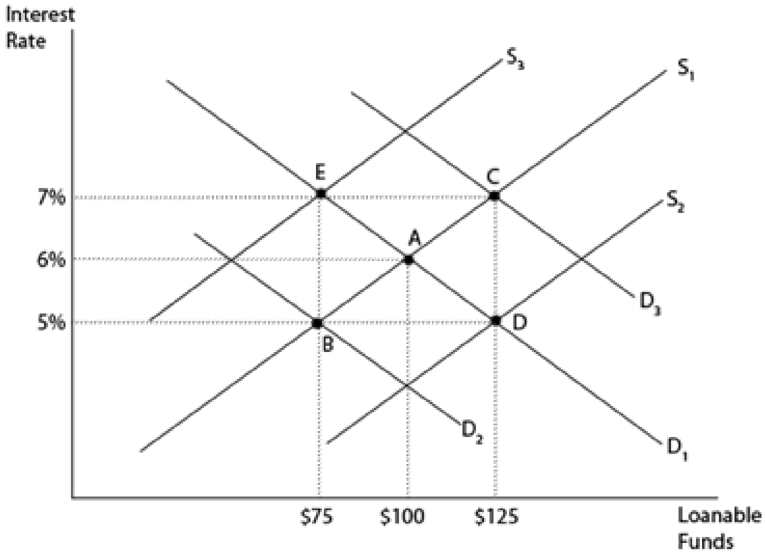
Refer to Figure 26-5. Starting at point A, a change in tax laws that encouraged households to save more would likely cause

- [x] the quantity of loanable funds traded to increase to $125 and the interest rate fall to 5% (point D).
- [ ] the quantity of loanable funds traded to increase to $125 and the interest rate to rise to 7% (point C).
- [ ] the quantity of loanable funds traded to decrease to $75 and the interest rate to fall to 5% (point B).
- [ ] the quantity of loanable funds traded to decrease to $75 and the interest rate to rise to 7% (point E).

Question 13

1 / 1 pts

Figure 26-5. Figure 26-5 shows the loanable funds market for a closed economy.



Refer to Figure 26-5. Starting at point A, a reduction in government spending would cause

- ○ the quantity of loanable funds traded to increase to $125 and the interest rate to rise to 7% (point C).
- ○ the quantity of loanable funds traded to decrease to $75 and the interest rate to fall to 5% (point B).
- ◉ the quantity of loanable funds traded to increase to $125 and the interest rate to fall to 5% (point D).
- ○ the quantity of loanable funds traded to decrease to $75 and the interest rate to rise to 7% (point E).

Quiz Score: **13** out of 13