

# Quiz (chapter 22)

**Due** Mar 12 at 11:59pm

**Points** 13

**Questions** 13

**Available** Mar 10 at 12am - Mar 12 at 11:59pm 3 days

**Time Limit** 30 Minutes

**Allowed Attempts** 2

## Instructions

This quiz covers material from chapter 22.

The time limit is 30 minutes.

## Attempt History

	Attempt	Time	Score
KEPT	<a href="#">Attempt 2</a>	4 minutes	13 out of 13
LATEST	<a href="#">Attempt 2</a>	4 minutes	13 out of 13
	<a href="#">Attempt 1</a>	19 minutes	11 out of 13

⚠ Correct answers will be available on Mar 13 at 12am.

Score for this attempt: **13** out of 13

Submitted Mar 10 at 12:12pm

This attempt took 4 minutes.

### Question 1

1 / 1 pts

The misery index is supposed to measure the

- ☐ social cost of unemployment.
- ☒ health of the economy.
- ☐ lost output associated with a particular unemployment rate.

- ☐ short-run tradeoff between inflation and unemployment.

## Question 2

1 / 1 pts

One determinant of the natural rate of unemployment is the

- ☐ rate of growth of the money supply.
- ☒ minimum wage rate.
- ☐ expected inflation rate.
- ☐ All of the above are correct.

## Question 3

1 / 1 pts

The short-run relationship between inflation and unemployment is often called

- ☐ the Classical Dichotomy.
- ☐ Money Neutrality.
- ☒ the Phillips curve.
- ☐ None of the above is correct.

## Question 4

1 / 1 pts

According to the short-run Phillips curve, if the central bank increases the money supply, then

- ☐ inflation and unemployment will both fall.
- ☐ inflation and unemployment will both rise.
- ☐ inflation will fall and unemployment will rise.
- ☒ inflation will rise and unemployment will fall.

### Question 5

1 / 1 pts

The economy will move to a point on the short-run Phillips curve where unemployment is higher if

- ☒ the inflation rate decreases.
- ☐ the government increases its expenditures.
- ☐ the Fed increases the money supply.
- ☐ None of the above is correct.

### Question 6

1 / 1 pts

If the short-run Phillips curve were stable, which of the following would be unusual?

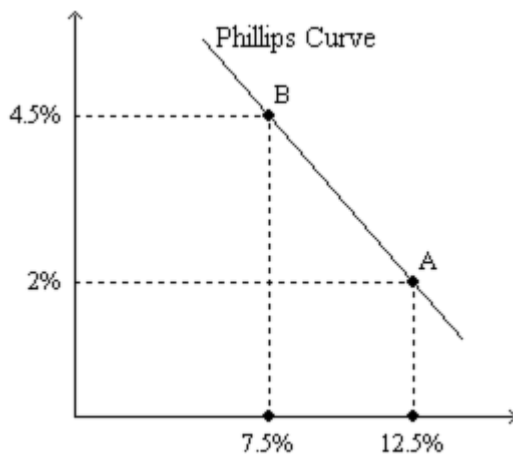
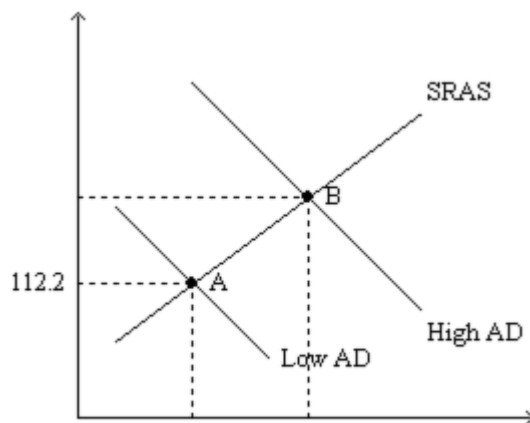
- ☐ an increase in government spending and a fall in unemployment
- ☒ an increase in inflation and a decrease in output

- ☐ a decrease in the inflation rate and a rise in the unemployment rate
- ☐ a decrease in the money supply and a rise in the unemployment rate.

## Question 7

1 / 1 pts

**Figure 35-4.** The left-hand graph shows a short-run aggregate-supply (SRAS) curve and two aggregate-demand (AD) curves. On the left-hand diagram, the price level is measured on the vertical axis; on the right-hand diagram, the inflation rate is measured on the vertical axis.



**Refer to Figure 35-4.** What is measured along the horizontal axis of the left-hand graph?

- ☐ the wage rate

☐ the inflation rate

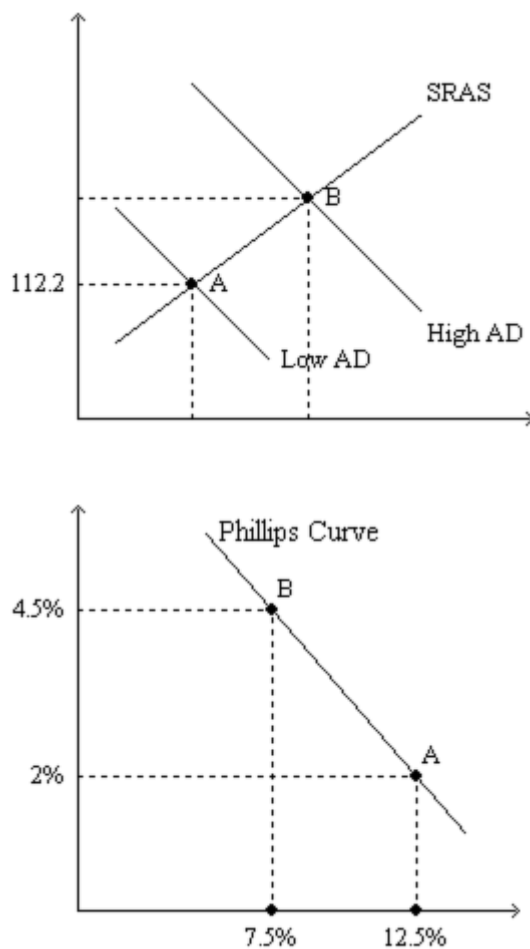
☒ output

☐ the interest rate

## Question 8

1 / 1 pts

**Figure 35-4.** The left-hand graph shows a short-run aggregate-supply (SRAS) curve and two aggregate-demand (AD) curves. On the left-hand diagram, the price level is measured on the vertical axis; on the right-hand diagram, the inflation rate is measured on the vertical axis.



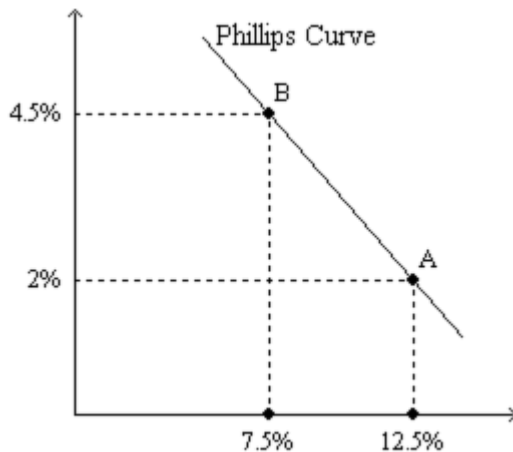
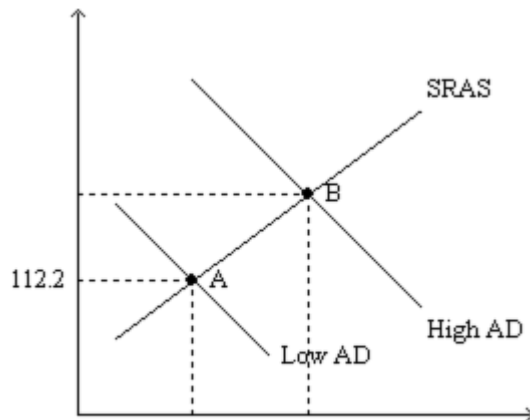
**Refer to Figure 35-4.** What is measured along the horizontal axis of the right-hand graph?

- ☐ the interest rate
- ☐ the price level
- ☐ the government's budget deficit as a percent of GDP
- ☒ the unemployment rate

### Question 9

1 / 1 pts

**Figure 35-4.** The left-hand graph shows a short-run aggregate-supply (SRAS) curve and two aggregate-demand (AD) curves. On the left-hand diagram, the price level is measured on the vertical axis; on the right-hand diagram, the inflation rate is measured on the vertical axis.



**Refer to Figure 35-4.** Assume the figure depicts possible outcomes for the year 2018. In 2018, the economy is at point A on the left-hand graph, which corresponds to point A on the right-hand graph. The price level in the year 2017 was

☐ 106.

☐ 108.

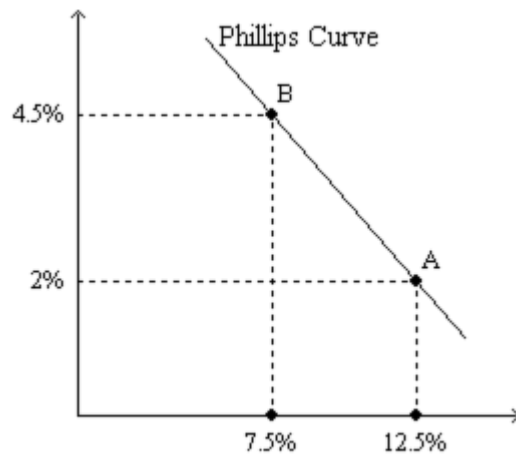
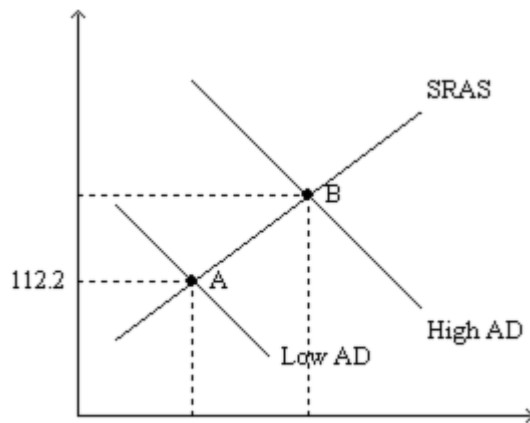
☒ 110.

☐ 112.

### Question 10

1 / 1 pts

**Figure 35-4.** The left-hand graph shows a short-run aggregate-supply (SRAS) curve and two aggregate-demand (AD) curves. On the left-hand diagram, the price level is measured on the vertical axis; on the right-hand diagram, the inflation rate is measured on the vertical axis.



**Refer to Figure 35-4.** Assume the figure charts possible outcomes for the year 2018. In 2018, the economy is at point B on the left-hand graph, which corresponds to point B on the right-hand graph. Also, point A on the left-hand graph corresponds to A on the right-hand graph. The price level in the year 2018 is

- ☐ 117.25.
- ☒ 114.95.
- ☐ 113.12.
- ☐ 111.10.



The sacrifice ratio is the

- ☐ sum of the inflation and unemployment rates.
- ☐ inflation rate divided by the unemployment rate.
- ☒ number of percentage points annual output falls for each percentage point reduction in inflation.
- ☐ number of percentage points unemployment rises for each percentage point reduction in inflation.

## Question 12

1 / 1 pts

If the Fed reduces inflation 1 percentage point and this makes output fall 2 percentage points and unemployment rise 3 percentage points for six months, the sacrifice ratio is

- ☒ 1.
- ☐ 2.
- ☐ 3.
- ☐ 4.

## Question 13

1 / 1 pts

If a central bank reduced inflation by 3 percentage points and in the short run this made output fall by 3 percentage points for 3 years and the unemployment rate rise from 3 percent to 9 percent for three years, the sacrifice ratio is

☐ 1.

☐ 2.

☒ 3.

☐ None of the above is correct.

Quiz Score: **13** out of 13