

Homework (chapter 10)

Due Feb 3 at 11:59pm**Points** 20**Questions** 20**Available** until Feb 3 at 11:59pm**Time Limit** None**Allowed Attempts** 2

Instructions

This required homework assignment covers material from chapter 10.

Homework answers may be saved and returned to, as long as it is within the deadline. To do so, remember to save your responses before leaving the Canvas website, and do not click on the “Submit” button (or Canvas will automatically grade your assignment and you will have no way of changing your answers). If you start the quiz before the deadline but do not finish by the deadline, Canvas will submit the homework for you at the deadline.

This quiz was locked Feb 3 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	13 minutes	13 out of 20

Score for this attempt: **13** out of 20

Submitted Jan 28 at 11:34pm

This attempt took 13 minutes.

Correct!

Question 1

1 / 1 pts

Gross domestic product measures

- ☒ income and expenditures.
- ☐ income but not expenditures.
- ☐ expenditures but not income.

- ☐ neither income nor expenditures.

Question 2**0 / 1 pts**

GDP is defined as the

You Answered

- ☒ value of all goods and services produced within a country in a given period of time.

- ☐ value of all goods and services produced by the citizens of a country, regardless of where they are living, in a given period of time.

Correct Answer

- ☐ value of all final goods and services produced within a country in a given period of time.
- ☐ value of all final goods and services produced by the citizens of a country, regardless of where they are living, in a given period of time.

Question 3**0 / 1 pts**

Which of the following is a way to compute GDP?

- ☐ total income earned.
- ☐ total expenditures on final goods.

You Answered

- ☒ add up the market values of all final goods and services.

Correct Answer

- ☐ All of the above are correct.

Question 4

1 / 1 pts

Disposable income is

- ☐ the total income earned by a nation's permanent residents.
- ☐ the total income earned by a nation's residents in the production of goods and services.
- ☐ the income that households and non-corporate businesses receive.
- ☒ the income that households and businesses have remaining after satisfying their obligations to the government.

Correct!

Question 5

0 / 1 pts

In the equation $Y = C + I + G + NX$,

- ☐ Y represents the economy's total expenditure.
- ☐ C represents household expenditures on services and durable goods.
- ☐ all of the variables are always positive numbers.

Correct Answer

You Answered

- ☒ All of the above are correct.

Question 6**1 / 1 pts**

The consumption component of GDP includes spending on

- ☐ durable goods and nondurable goods, but not spending on services.
- ☐ durable goods and services, but not spending on nondurable goods.
- ☐ nondurable goods and services, but not spending on durable goods.
- ☒ durable goods, nondurable goods, and services.

Correct!**Question 7****1 / 1 pts**

Which of the following is included in the investment component of GDP?

- ☐ households' purchases of newly constructed homes
- ☐ net additions to firms' inventories
- ☐ firms' purchases of capital equipment
- ☒ All of the above are correct.

Correct!**Question 8****1 / 1 pts**

Which of the following is included in government purchases?

Correct!

- ☐ unemployment benefits a state pays
- ☐ Social Security payments the U.S. government makes
- ☒ the services of a U.S. government attorney valued at the cost of her salary
- ☐ All of the above are correct.

Question 9**1 / 1 pts**

A transfer payment is

- ☐ a payment for moving expenses a worker receives when he or she is transferred by an employer to a new location.
- ☐ a payment that is automatically transferred from your bank account to pay a bill or some other obligation.
- ☒ a form of government spending that is not made in exchange for a currently produced good or service.
- ☐ the benefit that a person receives from an expenditure by government minus the taxes that were collected by government to fund that expenditure.

Correct!**Question 10****1 / 1 pts**

If a U.S. citizen buys a television made in Korea by a Korean firm, then

- ☐ U.S. net exports decrease and U.S. GDP decreases.
- ☐ U.S. net exports are unaffected and U.S. GDP decreases.
- ☐ U.S. net exports are unaffected and U.S. GDP is unaffected.
- ☒ U.S. net exports decrease and U.S. GDP is unaffected.

Correct!

Question 11

1 / 1 pts

If total spending rises from one year to the next, then

- ☐ the economy must be producing a larger output of goods and services.
- ☐ goods and services must be selling at higher prices.
- ☒ either the economy must be producing a larger output of goods and services, or goods and services must be selling at higher prices, or both.
- ☐ employment or productivity must be rising.

Correct!

Question 12

0 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. In 2015, this country's

- ☐ nominal GDP was greater than real GDP, and the GDP deflator was greater than 100.
- ☐ nominal GDP was equal to real GDP, and the GDP deflator was equal to 100%.
- ☒ nominal GDP was less than real GDP, and the GDP deflator was less than 100.

ou Answered

orrect Answer

- ☐ nominal GDP was equal to real GDP, and the GDP deflator was equal to 100.

Question 13

1 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these

goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. In 2016, this country's

- ☐ real GDP was \$880, and the GDP deflator was 111.4.
- ☐ real GDP was \$780, and the GDP deflator was 88.6.
- ☐ real GDP was \$880, and the GDP deflator was 112.8.
- ☒ real GDP was \$780, and the GDP deflator was 112.8.

Correct!

Question 14

0 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk

2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. In 2017, this country's

Correct Answer

☐ real GDP was \$900, and the GDP deflator was 138.9.

☐ real GDP was \$1250, and the GDP deflator was 128.0.

You Answered

☒ real GDP was \$900, and the GDP deflator was 128.0.

☐ real GDP was \$1250, and the GDP deflator was 138.9.

Question 15

0 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200

2018	\$6.00	180	\$3.50	240
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Refer to Table 23-5. In 2018, this country's

☐ real GDP was \$1080, and the GDP deflator was 156.3.

Correct Answer

☐ real GDP was \$1080, and the GDP deflator was 177.8.

You Answered

☒ real GDP was \$1920, and the GDP deflator was 177.8.

☐ real GDP was \$1920, and the GDP deflator was 156.3.

Question 16

0 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. This country's output grew

You Answered

☐ 31.3% from 2015 to 2016.

☒ 42.0% from 2016 to 2017.

Correct Answer

☐ 15.4% from 2016 to 2017.

☐ 53.6% from 2017 to 2018.

Question 17

1 / 1 pts

Table 23-5

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. This country's inflation rate from 2017 to 2018 was

☐ 20.0%.

☐ 21.8%.

☐ 38.9%.

Correct!☒ 28.0%.**Question 18****1 / 1 pts****Table 23-5**

The country of Caspir produces only cereal and milk. Quantities and prices of these goods for the last several years are shown below. The base year is 2015.

Prices and Quantities

Year	Price of Cereal	Quantity of Cereal	Price of Milk	Quantity of Milk
2015	\$4.00	100	\$1.50	180
2016	\$4.00	120	\$2.00	200
2017	\$5.00	150	\$2.50	200
2018	\$6.00	180	\$3.50	240

Refer to Table 23-5. This country's inflation rate from 2016 to 2017 was

☐ 25.0%.☒ 23.1%.☐ 26.1%.☐ 18.8%.**Correct!****Question 19****1 / 1 pts**

GDP does not reflect

- ☐ the value of leisure.
- ☐ the value of goods and services produced at home.
- ☐ the quality of the environment.
- ☒ All of the above are correct.

Correct!

Question 20

1 / 1 pts

In the economy of Talikastan in 2015, consumption was \$1000, GDP was \$1950, government purchases were \$500, and investment was \$700. What were Talikastan's net exports in 2015?

- ☒ -\$250
- ☐ \$250
- ☐ \$2200
- ☐ Net exports cannot be calculated from the information given.

Correct!

Quiz Score: **13** out of 20