

Quiz (chapter 11)

Due Feb 6 at 11:59pm**Points** 13**Questions** 13**Available** Feb 4 at 12am - Feb 6 at 11:59pm 3 days**Time Limit** 30 Minutes

Instructions

This quiz covers material from chapter 11.

The time limit is 30 minutes.

This quiz was locked Feb 6 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	9 minutes	11 out of 13

Score for this quiz: **11** out of 13

Submitted Feb 4 at 9:59am

This attempt took 9 minutes.

Question 1

1 / 1 pts

The economy's inflation rate is the

- ☐ price level in the current period.
- ☐ change in the price level from the previous period.
- ☐ change in the gross domestic product from the previous period.
- ☒ percentage change in the price level from the previous period.

Correct!

Question 2**1 / 1 pts**

Which of the following is correct?

☐

The GDP deflator is better than the CPI at reflecting the goods and services bought by consumers.

☒

The CPI is better than the GDP deflator at reflecting the goods and services bought by consumers.

☐

The GDP deflator and the CPI are equally good at reflecting the goods and services bought by consumers.

☐

The GDP deflator is more commonly used as a gauge of inflation than the CPI is.

Correct!**Question 3****0 / 1 pts**

If the nominal interest rate is 5 percent and the rate of inflation is -2.5 percent, then the real interest rate is

☐

-7.5 percent.

☐

-2.5 percent.

☒

2.5 percent.

☐

7.5 percent.

You Answered**Correct Answer**

Question 4**1 / 1 pts****Table 24-3**

The table below pertains to Iowan, an economy in which the typical consumer's basket consists of 4 pounds of pork and 3 bushels of corn.

Year	Price of Pork	Price of Corn
2012	\$20 per pound	\$12 per bushel
2013	\$25 per pound	\$18 per bushel

Refer to Table 24-3. The cost of the basket in 2012 was

☐ \$108.☒ \$116.☐ \$112.☐ \$224.**Correct!****Question 5****1 / 1 pts****Table 24-3**

The table below pertains to Iowan, an economy in which the typical consumer's basket consists of 4 pounds of pork and 3 bushels of corn.

Year	Price of	Price of
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	Pork	Corn
2012	\$20 per pound	\$12 per bushel
2013	\$25 per pound	\$18 per bushel

Refer to Table 24-3. The cost of the basket in 2013 was

☐ \$150.50.

☐ \$147.

☒ \$154.

☐ \$301.

Correct!

Question 6

1 / 1 pts

Table 24-3

The table below pertains to Iowan, an economy in which the typical consumer's basket consists of 4 pounds of pork and 3 bushels of corn.

Year	Price of Pork	Price of Corn
2012	\$20 per pound	\$12 per bushel
2013	\$25 per pound	\$18 per bushel

Refer to Table 24-3. If 2012 is the base year, then the CPI for 2012 was

☐ 75.3.

Correct!☒ 100.0.☐ 116.0.☐ 132.8.**Question 7****0 / 1 pts*****Table 24-3***

The table below pertains to Iowan, an economy in which the typical consumer's basket consists of 4 pounds of pork and 3 bushels of corn.

Year	Price of Pork	Price of Corn
2012	\$20 per pound	\$12 per bushel
2013	\$25 per pound	\$18 per bushel

Refer to Table 24-3. If 2012 is the base year, then the CPI for 2013 was

☐ 100.0.☐ 116.0.☐ 132.8.☒ 154.0.**Correct Answer****You Answered****Question 8****1 / 1 pts**

Table 24-3

The table below pertains to Iowan, an economy in which the typical consumer's basket consists of 4 pounds of pork and 3 bushels of corn.

Year	Price of Pork	Price of Corn
2012	\$20 per pound	\$12 per bushel
2013	\$25 per pound	\$18 per bushel

Refer to Table 24-3. If 2012 is the base year, then the inflation rate in 2013 was

☐ 24.7 percent.

☐ 54.0 percent.

☒ 32.8 percent.

☐ 38.0 percent.

Correct!

Question 9

1 / 1 pts

To which of the problems in the construction of the CPI is the creation of the mobile phone most relevant?

☐ substitution bias

☒ introduction of new goods

☐ unmeasured quality change

☐ income bias

Correct!

Question 10**1 / 1 pts**

For some racquet sports, there have been increases in the size of the racquets; also, the methods and materials used for making racquets have improved. To which problem in the construction of the CPI is this situation most relevant?

- ☐ substitution bias
- ☐ introduction of new goods
- ☒ unmeasured quality change
- ☐ income bias

Correct!**Question 11****1 / 1 pts**

If the CPI was 90 in 1975 and is 225 today, then \$100 today purchases the same amount of goods and services as

- ☐ \$25.00 purchased in 1975.
- ☐ \$33.33 purchased in 1975.
- ☒ \$40.00 purchased in 1975.
- ☐ \$135.55 purchased in 1975.

Correct!**Question 12****1 / 1 pts**

Scenario 24-2

The price tag on a golf ball in 1975 read \$0.20, and the price tag on a golf ball in 2005 read \$2.00. The CPI in 1975 was 52.3, and the CPI in 2005 was 191.3.

Refer to Scenario 24-2. The price of a 1975 golf ball in 2005 dollars is

☐ \$0.05.

☐ \$0.53.

☒ \$0.73.

☐ \$2.00.

Correct!

Question 13

1 / 1 pts

Scenario 24-2

The price tag on a golf ball in 1975 read \$0.20, and the price tag on a golf ball in 2005 read \$2.00. The CPI in 1975 was 52.3, and the CPI in 2005 was 191.3.

Refer to Scenario 24-2. In 1975 dollars, a 1975 golf ball cost \$0.20 and a 2005 golf ball cost

☒ \$0.55, so golf balls were cheaper in 1975.

☐ \$0.55, so golf balls were cheaper in 2005.

☐ \$7.32, so golf balls were cheaper in 1975.

☐ \$7.32, so golf balls were cheaper in 2005.

Correct!

Quiz Score: **11** out of 13