Quiz (chapter 20)

Due Mar 5 at 11:59pm **Points** 14 **Questions** 14
Available Mar 3 at 12am - Mar 5 at 11:59pm 3 days **Time Limit** 30 Minutes

Instructions

This quiz covers material from chapter 20.

The time limit is 30 minutes

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	10 minutes	14 out of 14

Correct answers will be available on Mar 6 at 12am.

Score for this quiz: **14** out of 14
Submitted Mar 3 at 8:18am
This attempt took 10 minutes.

Question 1

1 / 1 pts

Economic variables we are most interested in are

- (selected) real variables, but we usually observe nominal variables.
- nominal variables, but we usually observe real variables.
- real variables, which we usually observe.
- nominal variables, which we usually observe.

Question 2

1 / 1 pts

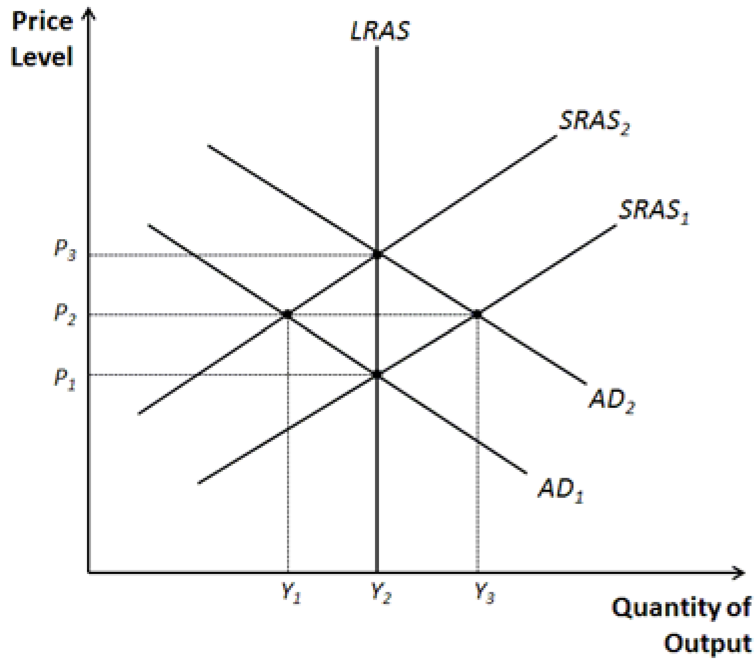
Which of the following would help explain why the aggregate demand curve slopes downward?

- An unexpectedly low price level raises the real wage, which causes firms to hire fewer workers and produce a smaller quantity of goods and services.
- A lower price level causes domestic interest rates to rise and the real exchange rate to appreciate, which stimulates spending on net exports.
- A higher price level increases real wealth, which stimulates spending on consumption.
- A lower price level reduces the interest rate, which encourages greater spending on investment goods.

Question 3

1 / 1 pts

Figure 33-3.



Refer to Figure 33-3. The natural rate of output occurs at

- Y_1.
- Y_2.
- Y_3.
- both Y_1 and Y_3.

Question 4

1 / 1 pts

Other things the same, if prices fell when firms and workers were expecting them to rise, then

- employment and production would rise.
- employment would rise and production would fall.
- employment would fall and production would rise.

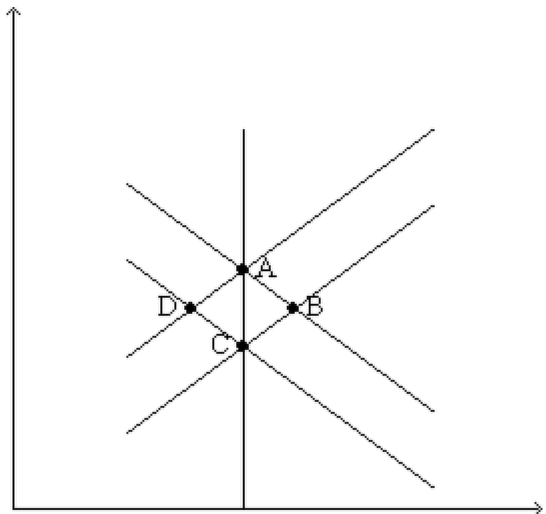
employment and production would fall.

Question 5

1 / 1 pts

Consider the exhibit below for the following questions.

Figure 33-4



Refer to Figure 33-4. If the economy starts at A and there is a fall in aggregate demand, the economy moves

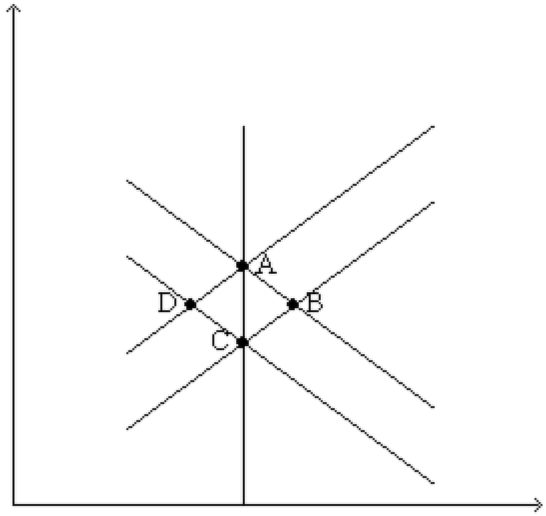
- back to A in the long run.
- to B in the long run.
- to C in the long run.
- to D in the long run.

Question 6

1 / 1 pts

Consider the exhibit below for the following questions.

Figure 33-4



Refer to Figure 33-4. If the economy starts at A and moves to D in the short run, the economy

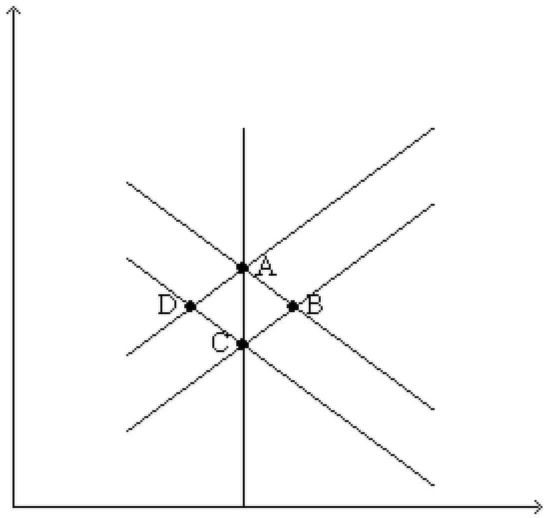
- moves to A in the long run.
- moves to B in the long run.
- moves to C in the long run.
- stays at D in the long run.

Question 7

1 / 1 pts

Consider the exhibit below for the following questions.

Figure 33-4



Refer to Figure 33-4. The economy would be moving to long-run equilibrium if it started at

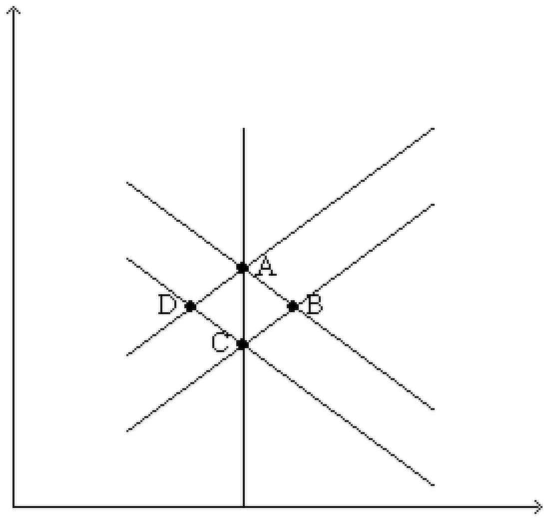
- A and moved to B.
- C and moved to B.
- D and moved to C.
- None of the above is correct.

Question 8

1 / 1 pts

Consider the exhibit below for the following questions.

Figure 33-4



Refer to Figure 33-4. In the short run, a favorable shift in aggregate supply would move the economy from

- A to B.
- B to C.
- C to D.
- D to A.

Question 9

1 / 1 pts

The Stock Market Boom of 2015
Imagine that in 2015 the economy is in long-run equilibrium. Then stock prices rise more than expected and stay high for some time.

Refer to Stock Market Boom 2015. In the short run what happens to the price level and real GDP?

- both the price level and real GDP rise.

both the price level and real GDP fall.

the price level rises and real GDP falls.

the price level falls and real GDP rises.

Question 10

1 / 1 pts

The Stock Market Boom of 2015
Imagine that in 2015 the economy is in long-run equilibrium. Then stock prices rise more than expected and stay high for some time.

Refer to Stock Market Boom 2015. In the long run, the change in price expectations created by the stock market boom shifts

long-run aggregate supply right.

long-run aggregate supply left.

short-run aggregate supply right.

short-run aggregate supply left.

Question 11

1 / 1 pts

The Stock Market Boom of 2015
Imagine that in 2015 the economy is in long-run equilibrium. Then stock prices rise more than expected and stay high for some time.

Refer to Stock Market Boom 2015. How is the new long-run equilibrium different from the original one?

- the price level and real GDP are higher
- the price level and real GDP are lower.
- the price level is higher and real GDP is the same.
- the price level is the same and real GDP is higher.

Question 12

1 / 1 pts

Financial Crisis
Suppose that banks are less able to raise funds and so lend less. Consequently, because people and households are less able to borrow, they spend less at any given price level than they would otherwise. The crisis is persistent so lending should remain depressed for some time.

Refer to Financial Crisis. What happens to the price level and real GDP in the short run?

- both the price level and real GDP rise
- the price level rises and real GDP falls
- the price level falls and real GDP rises
- both the price level and real GDP fall

Question 13

1 / 1 pts

Financial Crisis
Suppose that banks are less able to raise funds and so lend less. Consequently, because people and households are less able to borrow, they spend less at any given price level

than they would otherwise. The crisis is persistent so lending should remain depressed for some time.

Refer to Financial Crisis. In the long run, if the Fed does not respond, the change in price expectations created by the crisis shifts

- aggregate demand right.
- aggregate demand left.
- short-run aggregate supply right.
- short-run aggregate supply left.

Question 14

1 / 1 pts

Financial Crisis
Suppose that banks are less able to raise funds and so lend less. Consequently, because people and households are less able to borrow, they spend less at any given price level than they would otherwise. The crisis is persistent so lending should remain depressed for some time.

Refer to Financial Crisis. How is the new long-run equilibrium different from the original one?

- both price and real GDP are higher.
- both price and real GDP are lower.
- the price level is the same and GDP is lower.
- the price level is lower and real GDP is the same.

Quiz Score: **14** out of 14