

Final Exam Review

Coverage*: Week #6 - #10

Format: 30-40 multiple-choice questions (Wrong questions have **NO EFFECT** on the correct ones.)

*For exact coverage of topics, please see lecture slides (slide #2 for each PowerPoint files).

Remember to bring a #2 pencil to the Exam.

If you miss any of the exams for a university-approved reason, you are responsible for providing official documentation that supports your excused absence. For detailed guidance on excused absences, please see the [university's webpage](#).

This is **NOT** a comprehensive list of **ALL** material that has been covered. Rather, it has been developed to make sure that you are familiar with the main concepts that we have covered in the class.

My advice: (At Least)

- Learn the vocabulary and key concepts.
- Don't memorize definitions of concepts, but learn how to apply them in questions.
- Work through the problems and applications.
- Review PowerPoint lecture slides: You have **7** of them.
- Review lecture notes and your notes (hopefully you've taken some!).
- Review lecture worksheets.
- Review your problem sets and make sure you understand every question: You have **3** of them. **Exam questions will be very similar to problem set questions; even there might be exactly same questions.**

Key Concepts:

- Economic Cost
- Accounting Cost
- Economic Profit
- Accounting Profit
- Short-run
- Long-run
- Variable Input
- Fixed Input
- Total Product
- Marginal Product
- Average Product
- Law of Diminishing Marginal Return
- Fixed Cost
- Variable Cost
- Total Cost
- Average Cost

Economics (Kara)

- Average Variable Cost
- Average Fixed Cost
- Marginal Cost
- Perfectly Competitive Market
- Competitive Firm
- Total Revenue
- Average Revenue
- Marginal Revenue
- Profit Maximization by a Comp. Firm
- Demand curve of Comp. Firm
- Zero Economic Profit
- Shut-down Point
- Short-run Supply Curve for Comp. Firm
- Determinants of Market Supply
- Long-run Competitive Equilibrium
- GDP
- Nominal vs. Real GDP
- Expenditure and Income Side of GDP
- Business Cycle
- Peak, Trough, Recession, Expansion
- Frictional, Structural, Cyclical, Natural, and Actual Unemployment
- Full Employment Output Level
- Potential Real GDP
- Price Index and CPI
- Inflation
- Nominal vs. Real Income
- Interest Rate
- Nominal vs. Real Interest Rate
- Nominal vs. Real Wages
- GDP Deflator
- Aggregate Demand and Supply
- Change in Aggregate Quantity Demanded/Supplied
- Change in Aggregate Demand/Supply
- Short-Run Aggregate Supply Curve
- Long-Run Aggregate Supply Curve
- Macroeconomic Equilibrium
- Short-Run Macroeconomic Equilibrium
- Long-Run Macroeconomic Equilibrium
- Recessionary and Inflationary GDP Gap
- Classical/Keynesian Theory of Macroeconomic Equilibrium
- Flexible/Sticky Nominal Wages