

AP[®] Macroeconomics Practice Exam

From the 2015 Administration

NOTE: This is a modified version of the 2015 AP Macroeconomics Exam.

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Note: This publication shows the page numbers that appeared in the **2014–15 AP Exam Instructions** book and in the actual exam. This publication was not repaginated to begin with page 1.

Exam Instructions

The following contains instructions taken from the *2014–15 AP Exam Instructions* book.

AP[®] Macroeconomics Exam

Regularly Scheduled Exam Date: Thursday afternoon, May 14, 2015

Late-Testing Exam Date: Wednesday morning, May 20, 2015

Section I Total Time: 1 hr. 10 min. Section II Total Time: 1 hr.

AP[®] Microeconomics Exam

Regularly Scheduled Exam Date: Friday morning, May 15, 2015

Late-Testing Exam Date: Wednesday afternoon, May 20, 2015

Section I Total Time: 1 hr. 10 min. Section II Total Time: 1 hr.

Section I Total Time: 1 hour 10 minutes

Calculator not permitted

Number of Questions: 60*

Percent of Total Score: 66.67%

Writing Instrument: Pencil required

**The number of questions may vary slightly depending on the form of the exam.*

Section II Total Time: 1 hour

Calculator not permitted

Number of Questions: 3 required free-response questions
(10-minute reading period, 50-minute writing period)

Percent of Total Score: 33.33%

Writing Instrument: Pen with black or dark blue ink

What Proctors Need to Bring to This Exam

- Exam packets
- Answer sheets
- AP Student Packs
- 2014-15 AP Coordinator's Manual
- This book — *AP Exam Instructions*
- AP Exam Seating Chart template(s)
- School Code and Home-School/Self-Study Codes
- Pencil sharpener
- Container for students' electronic devices (if needed)
- Extra No. 2 pencils with erasers
- Extra pens with black or dark blue ink
- Lined paper
- Stapler
- Watch
- Signs for the door to the testing room
 - “Exam in Progress”
 - “Cell phones are prohibited in the testing room”

SECTION I: Multiple Choice

- Do not begin the exam instructions below until you have completed the appropriate
- General Instructions for your group.

Make sure you begin the exam at the designated time. Remember: You must complete a seating chart for this exam. See pages 279–280 for a seating chart template and instructions. See the 2014-15 AP Coordinator's Manual for exam seating requirements (pages 48–50, 88).

Macroeconomics

If you are giving the regularly scheduled exam, say:

It is Thursday afternoon, May 14, and you will be taking the AP Macroeconomics Exam.

If you are giving the alternate exam for late testing, say:

It is Wednesday morning, May 20, and you will be taking the AP Macroeconomics Exam.

Microeconomics

If you are giving the regularly scheduled exam, say:

It is Friday morning, May 15, and you will be taking the AP Microeconomics Exam.

If you are giving the alternate exam for late testing, say:

It is Wednesday afternoon, May 20, and you will be taking the AP Microeconomics Exam.

In a moment, you will open the packet that contains your exam materials. By opening this packet, you agree to all of the AP Program's policies and procedures outlined in the *2014-15 Bulletin for AP Students and Parents*. You may now remove the shrinkwrap from your exam packet and take out the Section I booklet, but do not open the booklet or the shrinkwrapped Section II materials. Put the white seals aside. . . .

Carefully remove the AP Exam label found near the top left of your exam booklet cover. Now place it on page 1 of your answer sheet on the light blue box near the top right-hand corner that reads "AP Exam Label."

If students accidentally place the exam label in the space for the number label or vice versa, advise them to leave the labels in place. They should not try to remove the label; their exam will be processed correctly.

Read the statements on the front cover of Section I and look up when you have finished. . . .

Sign your name and write today's date. Look up when you have finished. . . .

Now print your full legal name where indicated. Are there any questions? . . .

Turn to the back cover and read it completely. Look up when you have finished. . . .

Are there any questions? . . .

You will now take the multiple-choice portion of the exam. You should have in front of you the multiple-choice booklet and your answer sheet. You may never discuss these specific multiple-choice questions at any time in any form with anyone, including your teacher and other students. If you disclose these questions through any means, your AP Exam score will be canceled. . . .

You must complete the answer sheet using a No. 2 pencil only. Mark all of your responses beginning on page 2 of your answer sheet, one response per question. Completely fill in the circles. If you need to erase, do so carefully and completely. No credit will be given for anything written in the exam booklet. Scratch paper is not allowed, but you may use the margins or any blank space in the exam booklet for scratch work. Calculators are not allowed on any part of this exam. Are there any questions? . . .

You have 1 hour and 10 minutes for this section. Open your Section I booklet and begin.



Note Start Time here _____. Note Stop Time here _____. Check that students are marking their answers in pencil on their answer sheets, and that they are not looking at their shrinkwrapped Section II booklets. After 1 hour, say:

There are 10 minutes remaining.

After 10 minutes, say:

Stop working. Close your booklet and put your answer sheet on your desk, face up. Make sure you have your AP number label and an AP Exam label on page 1 of your answer sheet. Sit quietly while I collect your answer sheets.

Collect an answer sheet from each student. Check that each answer sheet has an AP number label and an AP Exam label. After all answer sheets have been collected, say:

Now you must seal your exam booklet using the white seals you set aside earlier. Remove the white seals from the backing and press one on each area of your exam booklet cover marked "PLACE SEAL HERE." Fold each seal over the back cover. When you have finished, place the booklet on your desk, face up. I will now collect your Section I booklet. . . .

Collect a Section I booklet from each student. Check that each student has signed the front cover of the sealed Section I booklet.

There is a 10-minute break between Sections I and II. When all Section I materials have been collected and accounted for and you are ready for the break, say:

Please listen carefully to these instructions before we take a 10-minute break. All items you placed under your chair at the beginning of this exam must stay there, and you are not permitted to open or access them in any way. Leave your shrinkwrapped Section II packet on your desk during the break. You are not allowed to consult teachers, other students, or textbooks during the break. You may not make phone calls, send text messages, check email, use a social networking site, or access any electronic or communication device. Remember, you may never discuss the multiple-

choice questions at any time in any form with anyone, including your teacher and other students. If you disclose these questions through any means, your AP Exam score will be canceled. Are there any questions? . . .



You may begin your break. Testing will resume at _____.

SECTION II: Free Response

After the break, say:

May I have everyone’s attention? Place your Student Pack on your desk. . . .

You may now remove the shrinkwrap from the Section II packet, but do not open the exam booklet until you are told to do so. . . .

Read the bulleted statements on the front cover of the exam booklet. Look up when you have finished. . . .

Now place an AP number label on the shaded box. If you don’t have any AP number labels, write your AP number in the box. Look up when you have finished. . . .

Read the last statement. . . .

Using your pen, print the first, middle and last initials of your legal name in the boxes and print today’s date where indicated. This constitutes your signature and your agreement to the statements on the front cover. . . .

Turn to the back cover and complete Item 1 under “Important Identification Information.” Print the first two letters of your last name and the first letter of your first name in the boxes. Look up when you have finished. . . .

In Item 2, print your date of birth in the boxes. . . .

In Item 3, write the school code you printed on the front of your Student Pack in the boxes. . . .

Read Item 4. . . .

Are there any questions? . . .

I need to collect the Student Pack from anyone who will be taking another AP Exam. You may keep it only if you are not taking any other AP Exams this year. If you have no other AP Exams to take, place your Student Pack under your chair now. . . .

While Student Packs are being collected, read the information on the back cover of the exam booklet. Do not open the booklet until you are told to do so. Look up when you have finished. . . .

Collect the Student Packs. Then say:

Are there any questions? . . .

Section II begins with a recommended 10-minute reading period. You are advised to take advantage of the reading period to plan what you will write. It is designed to provide you with time to develop your responses. You may begin writing your exam responses before the 10 minutes is over. You may take notes on page 3 and the pages that contain the exam questions, but your responses must be written on the designated lined pages. Are there any questions? . . .

You have 50 minutes to answer the questions. You are responsible for pacing yourself, and may proceed freely from one question to the next. You must write your answers in the Section II booklet using a pen with black or dark blue ink. You are not permitted to use other colored pens or pencils to draw graphs or diagrams. If you need more paper during the exam, raise your hand. At the top of each extra sheet of paper you use, be sure to write only your AP number and the number of the question you are working on — for example, Question 1. Do not write your name. Are there any questions? . . .

Make sure to begin your response on the lined page directly following the first appearance of the question and continue your response on the additional lined pages that follow. Remember to write your answers on the lined pages provided for each question; only responses written on the lined pages will be scored.

You may now begin the 10-minute reading period.



Note Start Time here _____. Note Stop Time here _____. After 10 minutes, say:

The reading period is over. You should begin or continue writing your responses.



Note Start Time here _____. Note Stop Time here _____. Check that students are using pens and that they are writing their answers in their exam booklets. After 40 minutes, say:

There are 10 minutes remaining.

After 10 minutes, say:

Stop working and close your exam booklet. Place it on your desk, face up. . . .

If any students used extra paper for the free-response section, have those students staple the extra sheet(s) to the first page corresponding to that question in their exam booklets. Complete an Incident Report and include any exam booklets with extra sheets of paper in an Incident Report return envelope (see page 57 of the *AP Coordinator's Manual* for details). Then say:

Remain in your seat, without talking, while the exam materials are collected. . . .

Collect a Section II booklet from each student. Check for the following:

- Exam booklet front cover: The student placed an AP number label on the shaded box, and printed his or her initials and today's date.
- Exam booklet back cover: The student completed the "Important Identification Information" area.

When all exam materials have been collected and accounted for, return to students any electronic devices you may have collected before the start of the exam.

If you are giving the regularly scheduled exam, say:

You may not discuss or share these specific free-response questions with anyone exam unless they are released on the College Board website in about two days. Your AP Exam score results will be available online in July.

If you are giving the alternate exam for late testing, say:

None of the questions in this exam may ever be discussed or shared in any way at any time. Your AP Exam score results will be available online in July.

If any students completed the AP number card at the beginning of this exam, say:

Please remember to take your AP number card with you. You will need the information on this card to view your scores and order AP score reporting services online.

Then say:

You are now dismissed.

All exam materials must be placed in secure storage until they are returned to the AP Program after your school's last administration. Before storing materials, check the "School Use Only" section on page 1 of the answer sheet and:

- Fill in the appropriate section number circle in order to access a separate AP Instructional Planning Report (for regularly scheduled exams only) or subject score roster at the class section or teacher level. See "Post-Exam Activities" in the *2014-15 AP Coordinator's Manual*.
- Check your list of students who are eligible for fee reductions and fill in the appropriate circle on their registration answer sheets.

Be sure to give the completed seating chart to the AP Coordinator. Schools must retain seating charts for at least six months (unless the state or district requires that they be retained for a longer period of time). Schools should not return any seating charts in their exam shipments unless they are required as part of an Incident Report.

Student Answer Sheet for the Multiple-Choice Section

Use this section to capture student responses. (Note that the following answer sheet is a sample, and may differ from one used in an actual exam.)



B123456789T

COMPLETE THIS AREA AT EVERY EXAM. USE NO. 2 PENCIL ONLY

To maintain the security of the exam and the validity of my AP score, I will allow no one else to see the multiple-choice questions. I will seal the multiple-choice booklet when asked to do so, and I will not discuss these questions with anyone at any time after completing the section. I am aware of and agree to the AP Program's policies and procedures as outlined in the *2014-15 Bulletin for AP Students and Parents*, including using testing accommodations (e.g., extended time, computer, etc.) only if I have been preapproved by College Board Services for Students with Disabilities.

| A. SIGNATURE | Sign your legal name as it will appear on your college applications. | Date |
|--------------|--|------|
| | | |

[illegible][illegible]

H. AP EXAM I AM

| | | | |
|---|------------|-------|------------|
| H. AP EXAM I AM TAKING USING THIS ANSWER SHEET | Exam Name: | Form: | Form Code: |
|---|------------|-------|------------|

SCHOOL USE ONLY

| SCHOOL USE ONLY | | | | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|-----------------------|----------|---|----------|
| Section Number | | | | | | | | | Fee Reduction Granted | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 1 | Option 1 | 2 | Option 2 |

779934



COMPLETE THIS AREA ONLY ONCE.

| J. SCHOOL YOU ATTEND | | | | | | | | | | K. DATE OF BIRTH | | |
|----------------------|--|--|--|--|--|--|--|--|--|------------------|-----|------|
| SCHOOL CODE | | | | | | | | | | Month | Day | Year |
| | | | | | | | | | | Jan | | |
| | | | | | | | | | | Feb | | |
| | | | | | | | | | | Mar | | |
| | | | | | | | | | | Apr | | |
| | | | | | | | | | | May | | |
| | | | | | | | | | | Jun | | |
| | | | | | | | | | | Jul | | |
| | | | | | | | | | | Aug | | |
| | | | | | | | | | | Sep | | |
| | | | | | | | | | | Oct | | |
| | | | | | | | | | | Nov | | |
| | | | | | | | | | | Dec | | |

[illegible]

**M. COLLEGE TO RECEIVE YOUR
AP SCORE REPORT**

| M. COLLEGE TO RECEIVE YOUR AP SCORE REPORT | | | | COLLEGE CODE | | Using the college code listed in the AP Student Pack, indicate the ONE college that you want to receive your AP score report. | | College Name | | City | | State | | Country | |
|---|--|--|--|--------------|---|---|---|--------------|--|------|--|-------|--|---------|--|
| | | | | 0 | 0 | 0 | 0 | | | | | | | | |
| | | | | 1 | 1 | 1 | 1 | | | | | | | | |
| | | | | 2 | 2 | 2 | 2 | | | | | | | | |
| | | | | 3 | 3 | 3 | 3 | | | | | | | | |
| | | | | 4 | 4 | 4 | 4 | | | | | | | | |
| | | | | 5 | 5 | 5 | 5 | | | | | | | | |
| | | | | 6 | 6 | 6 | 6 | | | | | | | | |
| | | | | 7 | 7 | 7 | 7 | | | | | | | | |
| | | | | 8 | 8 | 8 | 8 | | | | | | | | |
| | | | | 9 | 9 | 9 | 9 | | | | | | | | |

[illegible]

COMPLETE THIS AREA AT EACH EXAM (IF APPLICABLE).

O. SURVEY QUESTIONS — Answer the survey questions in the AP Student Pack. Do not put responses to exam questions in this section.

7 (A) (B) (C) (D) (E) (F) (G) (H) (I)

8 (A) (B) (C) (D) (E) (F) (G) (H) (I)

9 (A) (B) (C) (D) (E) (F) (G) (H) (I)

P. LANGUAGE — Do not complete this section unless instructed to do so.

If this answer sheet is for the French Language and Culture, German Language and Culture, Italian Language and Culture, Spanish Language and Culture, or Spanish Literature and Culture Exam, please answer the following questions. Your responses will not affect your score.

2. Do you regularly speak or hear the language at home?

☐ Yes ☐ No

QUESTIONS 1–75

Indicate your answers to the exam questions in this section (pages 2 and 3). Mark only one response per question for Questions 1 through 120. If a question has only four answer options, do not mark option E. Answers written in the multiple-choice booklet will not be scored.

COMPLETE MARK

EXAMPLES OF INCOMPLETE MARKS



You must use a No. 2 pencil and marks must be complete. Do not use a mechanical pencil. It is very important that you fill in the entire circle darkly and completely. If you change your response, erase as completely as possible. Incomplete marks or erasures may affect your score.

| | | | | | |
|----|----|---|---|---|----|
| 51 | (A | B | C | D | E) |
| 52 | (A | B | C | D | E) |
| 53 | (A | B | C | D | E) |
| 54 | (A | B | C | D | E) |
| 55 | (A | B | C | D | E) |
| 56 | (A | B | C | D | E) |
| 57 | (A | B | C | D | E) |
| 58 | (A | B | C | D | E) |
| 59 | (A | B | C | D | E) |
| 60 | (A | B | C | D | E) |
| 61 | (A | B | C | D | E) |
| 62 | (A | B | C | D | E) |
| 63 | (A | B | C | D | E) |
| 64 | (A | B | C | D | E) |
| 65 | (A | B | C | D | E) |
| 66 | (A | B | C | D | E) |
| 67 | (A | B | C | D | E) |
| 68 | (A | B | C | D | E) |
| 69 | (A | B | C | D | E) |
| 70 | (A | B | C | D | E) |
| 71 | (A | B | C | D | E) |
| 72 | (A | B | C | D | E) |
| 73 | (A | B | C | D | E) |
| 74 | (A | B | C | D | E) |
| 75 | (A | B | C | D | E) |

ETS USE ONLY

| SELECTED MEDIA EXAMS | R | W | O | OTHER EXAMS | R | W | O |
|----------------------|---|---|---|--------------------------|---|---|---|
| PT02 | | | | TOTAL | | | |
| PT03 | | | | Subscore (if applicable) | | | |
| PT04 | | | | Subscore (if applicable) | | | |

DO NOT WRITE IN THIS AREA

Be sure each mark is dark and completely fills the circle. If a question has only four answer options, do not mark option E.

- | | | | | | | | | | | | | | | | | | |
|----|---|---|---|---|---|-----|---|---|---|---|---|-----|---|---|---|---|---|
| 76 | A | B | C | D | E | 91 | A | B | C | D | E | 106 | A | B | C | D | E |
| 77 | A | B | C | D | E | 92 | A | B | C | D | E | 107 | A | B | C | D | E |
| 78 | A | B | C | D | E | 93 | A | B | C | D | E | 108 | A | B | C | D | E |
| 79 | A | B | C | D | E | 94 | A | B | C | D | E | 109 | A | B | C | D | E |
| 80 | A | B | C | D | E | 95 | A | B | C | D | E | 110 | A | B | C | D | E |
| 81 | A | B | C | D | E | 96 | A | B | C | D | E | 111 | A | B | C | D | E |
| 82 | A | B | C | D | E | 97 | A | B | C | D | E | 112 | A | B | C | D | E |
| 83 | A | B | C | D | E | 98 | A | B | C | D | E | 113 | A | B | C | D | E |
| 84 | A | B | C | D | E | 99 | A | B | C | D | E | 114 | A | B | C | D | E |
| 85 | A | B | C | D | E | 100 | A | B | C | D | E | 115 | A | B | C | D | E |
| 86 | A | B | C | D | E | 101 | A | B | C | D | E | 116 | A | B | C | D | E |
| 87 | A | B | C | D | E | 102 | A | B | C | D | E | 117 | A | B | C | D | E |
| 88 | A | B | C | D | E | 103 | A | B | C | D | E | 118 | A | B | C | D | E |
| 89 | A | B | C | D | E | 104 | A | B | C | D | E | 119 | A | B | C | D | E |
| 90 | A | B | C | D | E | 105 | A | B | C | D | E | 120 | A | B | C | D | E |

QUESTIONS 121–126

For Students Taking AP Biology

Write your answer in the boxes at the top of the griddable area and fill in the corresponding circles. Mark only one circle in any column. You will receive credit only if the circles are filled in correctly.

QUESTIONS 131–142

For Students Taking AP Physics 1 or AP Physics 2

Mark two responses per question. You will receive credit only if both correct responses are selected.

- | | | | | | |
|-----|-----------------|-----|-----------------|-----|-----------------|
| 131 | (A) (B) (C) (D) | 135 | (A) (B) (C) (D) | 139 | (A) (B) (C) (D) |
| 132 | (A) (B) (C) (D) | 136 | (A) (B) (C) (D) | 140 | (A) (B) (C) (D) |
| 133 | (A) (B) (C) (D) | 137 | (A) (B) (C) (D) | 141 | (A) (B) (C) (D) |
| 134 | (A) (B) (C) (D) | 138 | (A) (B) (C) (D) | 142 | (A) (B) (C) (D) |

Use the address abbreviations from your AP Student Pack. Fill in only one circle per column. Indicate a space in your address by leaving a blank box; do not grid that column.

Use the address abbreviations from your AP Student Pack. Fill in only one circle per column. Indicate a space in your address by leaving a blank box; do not grid that column.

STREET ADDRESS (include street number, street name, apartment number, etc.)

STREET ADDRESS (include street number, street name, apartment number, etc.)

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z | | 0 | 1 | 2 | 3 | 4 | 5 | | | | |

**R. FOR STUDENTS OUTSIDE
THE UNITED STATES ONLY**

If your address does not fit in the spaces provided in Item Q, fill in as many circles as you can, then fill in the circle in Item R and print the rest of your address in the space provided.

| Address | City |
|---------|------|
|---------|------|

T. EMAIL ADDRESS

By providing your email address, you are granting the College Board permission to use your email in accordance with the policies in the 2014-15 Bulletin for AP Students and Parents.

[illegible]

box; do not grid that column.

[illegible]

U.S. STUDENT SEARCH SERVICE®

Colleges and scholarship programs may request your information to inform you of educational opportunities and financial aid. Would you like us to supply your information?

☐ Yes ☐ No

If you don't answer and previously chose to participate in this service, we will continue providing your information.

V. SEX

☐ Female ☐ Male

W. WHICH LANGUAGE DO YOU KNOW BEST?

☐ English

☐ English and another language about the same

☐ Another language

X. ETHNICITY/RACE

☐ American Indian or Alaska Native

☐ Asian, Asian American or Pacific Islander

☐ Black or African American

☐ Mexican or Mexican American

☐ Puerto Rican

☐ Other Hispanic, Latino or Latin American

☐ White

☐ Other

Y. PARENTAL EDUCATION I LEVEL

In the first column, indicate the highest level of education of your parent/guardian. If you have two parents/guardians, indicate the level of education for your other parent/guardian in the second column. In the appropriate column for each parent/guardian, indicate whether this is your mother or female guardian or your father or male guardian.

| | | |
|-----------------------|-----------------------|--------------------------------------|
| <input type="radio"/> | <input type="radio"/> | Grade school |
| <input type="radio"/> | <input type="radio"/> | Some high school |
| <input type="radio"/> | <input type="radio"/> | High school diploma or equivalent |
| <input type="radio"/> | <input type="radio"/> | Vocational or trade school |
| <input type="radio"/> | <input type="radio"/> | Some college |
| <input type="radio"/> | <input type="radio"/> | Associate or two-year degree |
| <input type="radio"/> | <input type="radio"/> | Bachelor's or four-year degree |
| <input type="radio"/> | <input type="radio"/> | Some graduate or professional school |
| <input type="radio"/> | <input type="radio"/> | Graduate or professional degree |
| <input type="radio"/> | <input type="radio"/> | |
| <input type="radio"/> | <input type="radio"/> | Mother or female guardian |
| <input type="radio"/> | <input type="radio"/> | Father or male guardian |

S STUDENT IDENTIFIER (Student ID Number)

[illegible]

| Country | ZIP or Postal Code |
|---------|--------------------|
| | |

Section I: Multiple-Choice Questions

This is the multiple-choice section of the 2015 AP exam.
It includes cover material and other administrative instructions
to help familiarize students with the mechanics of the exam.
(Note that future exams may differ in look from the following content.)

For purposes of test security and/or statistical analysis, some questions
have been removed from the version of the exam that was administered
in 2015. Therefore, the timing indicated here may not be appropriate
for a practice exam.

PLACE SEAL HERE

AP[®] Macroeconomics Exam

SECTION I: Multiple Choice

2015

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

At a Glance

Total Time

1 hour, 10 minutes

Number of Questions

60

Percent of Total Score

66.67%

Writing Instrument

Pencil required

Instructions

Section I of this exam contains 60 multiple-choice questions. Fill in only the circles for numbers 1 through 60 on your answer sheet.

Indicate all of your answers to the multiple-choice questions on the answer sheet. No credit will be given for anything written in this exam booklet, but you may use the booklet for notes or scratch work. After you have decided which of the suggested answers is best, completely fill in the corresponding circle on the answer sheet. Give only one answer to each question. If you change an answer, be sure that the previous mark is erased completely. Here is a sample question and answer.

Sample Question Sample Answer

Chicago is a

(A) ☒ (B) ☐ (C) ☐ (D) ☐ (E) ☐

(A) state

(B) city

(C) country

(D) continent

(E) village

Use your time effectively, working as quickly as you can without losing accuracy. Do not spend too much time on any one question. Go on to other questions and come back to the ones you have not answered if you have time. It is not expected that everyone will know the answers to all of the multiple-choice questions.

Your total score on the multiple-choice section is based only on the number of questions answered correctly. Points are not deducted for incorrect answers or unanswered questions.

PLACE SEAL HERE

Form I

Form Code 4KBP6-S

35

PLACE SEAL HERE

DO NOT seal answer sheet inside

The inclusion of source material in this exam is not intended as an endorsement by the College Board or ETS of the content, ideas, or values expressed in the material. The material has been selected by the economics faculty who serve on the AP Macroeconomics Development Committee. In their judgment, the material printed here reflects various aspects of the course of study on which this exam is based and is therefore appropriate to use to measure the skills and knowledge of this course.

MACROECONOMICS

Section I

Time—70 minutes

60 Questions

Directions: Each of the questions or incomplete statements below is followed by five suggested answers or completions. Select the one that is best in each case and then fill in the corresponding circle on the answer sheet.

1. Which of the following is always true of an economy operating on its production possibilities frontier?
 - (A) Its resources are fully employed.
 - (B) It is allocatively efficient.
 - (C) It cannot trade with other nations because it is the most efficient producer of tradeable goods.
 - (D) It will necessarily operate on the same frontier the following year.
 - (E) It must be a command economy.
2. Open market operations take place when the
 - (A) central bank buys or sells stocks
 - (B) central bank buys or sells government bonds
 - (C) central bank increases or decreases the discount rate to monitor the money supply
 - (D) central bank increases or decreases reserve requirements for depository institutions
 - (E) commercial banks borrow reserves from the central bank
3. A rightward shift in the short-run aggregate supply curve will occur when
 - (A) exports exceed imports
 - (B) the money supply increases
 - (C) the prices of imported raw materials increase
 - (D) the stock of physical capital increases
 - (E) unions have negotiated a wage increase for their members
4. An increase in which of the following is most likely to increase long-run economic growth?
 - (A) Interest rate
 - (B) Income tax rate
 - (C) Marginal propensity to consume
 - (D) Investment in human capital
 - (E) Money demand
5. Suppose that personal income is \$3,500 billion, personal taxes are \$1,000 billion, and depreciation is \$500 billion. Disposable income is equal to which of the following?
 - (A) \$1,500 billion
 - (B) \$2,000 billion
 - (C) \$2,500 billion
 - (D) \$3,000 billion
 - (E) There is not enough information to answer the question.
6. The money demand curve is downward sloping because
 - (A) the transaction demand for money decreases as interest rates fall
 - (B) people hold less money as the opportunity cost of holding money rises
 - (C) money is less liquid as interest rates rise, so people are able to hold less of it
 - (D) banks are more willing to create money when interest rates fall
 - (E) with higher incomes, people are willing to hold smaller percentages of their money
7. According to the quantity theory of money, the quantity of money is related
 - (A) negatively to the nominal interest rate
 - (B) negatively to the price level
 - (C) positively to the velocity of money
 - (D) positively to the unemployment rate
 - (E) positively to the nominal gross domestic product
8. Which of the following would generate cost-push inflation?
 - (A) An increase in the price of labor
 - (B) A decrease in the price of energy
 - (C) An increase in household consumption
 - (D) A decrease in government spending
 - (E) An increase in the money supply

9. Assuming no change in the nominal wage and a significant increase in human capital, the output per worker will

(A) increase and the real wage will decrease
 (B) increase and the real wage will increase
 (C) decrease and the real wage will decrease
 (D) decrease and the real wage will increase
 (E) increase and the real wage will remain unchanged

10. Scarcity exists because

(A) human wants exceed the productive capacity of the economy
 (B) supplies of land and other natural resources are unlimited
 (C) physical capital does not depreciate
 (D) population and labor force growth are slowing
 (E) innovation causes unemployment

11. To counter a recession, the central bank might pursue which of the following actions?

(A) Increasing reserve requirements and selling securities on the open market
 (B) Increasing capital gains tax and selling securities on the open market
 (C) Decreasing reserve requirements and increasing the discount rate
 (D) Decreasing the discount rate and buying securities on the open market
 (E) Decreasing the capital gains tax and selling securities on the open market

12. An increase in the price of a key input will cause the aggregate demand curve and the short-run aggregate supply curve to change in which of the following ways?

| <u>Aggregate Demand Curve</u> | <u>Aggregate Supply Curve</u> |
|-------------------------------|-------------------------------|
| (A) Shift to the right | Shift to the right |
| (B) Shift to the left | Shift to the left |
| (C) Shift to the left | No change |
| (D) No change | Shift to the left |
| (E) No change | Shift to the right |

13. Suppose that the central bank buys \$100 worth of bonds on the open market. Assume that the required reserve ratio is 10 percent, banks keep no excess reserves, and there are no cash leakages. After banks have made all adjustments, reserves, demand deposits, and loans will increase by which of the following?

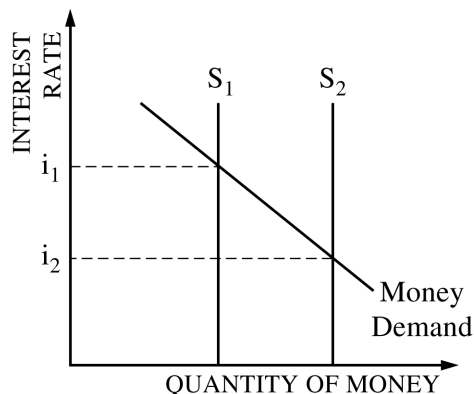
| | <u>Reserves</u> | <u>Demand Deposits</u> | <u>Loans</u> |
|-----|-----------------|------------------------|--------------|
| (A) | \$1,000 | \$1,000 | \$1,000 |
| (B) | \$1,000 | \$900 | \$1,000 |
| (C) | \$900 | \$1,000 | \$900 |
| (D) | \$100 | \$1,000 | \$1,000 |
| (E) | \$100 | \$1,000 | \$900 |

14. A simultaneous increase in both the demand for and the supply of a good in a market will lead to which of the following changes in the equilibrium price and quantity of the good?

| <u>Price</u> | <u>Quantity</u> |
|-------------------|-----------------|
| (A) Increase | Increase |
| (B) Indeterminate | Decrease |
| (C) Indeterminate | Increase |
| (D) Increase | Indeterminate |
| (E) Decrease | Increase |

15. Country A both imports and produces tea. If Country A imposes a tariff on imported tea, which of the following will occur?

(A) Tea consumption will increase.
 (B) Domestic tea production will decrease.
 (C) Employment in the domestic tea industry will increase.
 (D) The domestic price of tea will decrease.
 (E) Country A's currency will depreciate.



16. In the United States, which event would have caused the shift of the money supply curve from S_1 to S_2 in the money market shown above?
- (A) The purchase of government bonds on the open market by the Federal Reserve
 (B) An increase in the required reserve ratio
 (C) A short-run increase in output, employment, and income
 (D) An increase in general price level in the United States
 (E) An increase in the supply of dollars in foreign exchange markets
17. The short-run Phillips curve shows that
- (A) there is a trade-off between inflation and unemployment
 (B) high rates of unemployment are linked to high rates of interest
 (C) high rates of inflation are linked to high rates of interest
 (D) high rates of interest are consistent with increases in the money supply
 (E) the natural rate of unemployment is unattainable

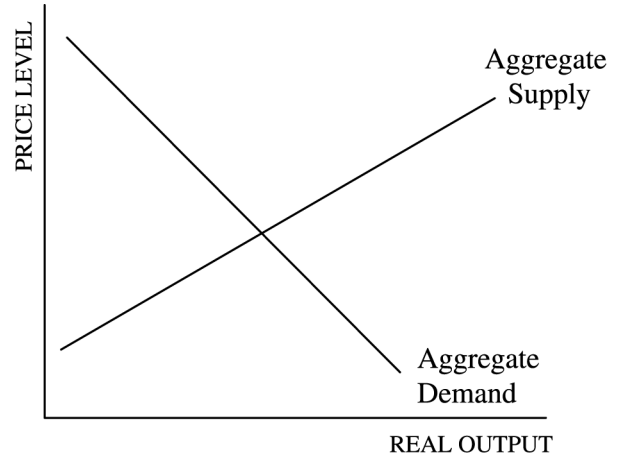
| <u>Real Disposable Income</u> | <u>Consumption</u> |
|-------------------------------|--------------------|
| \$18,000 | \$19,000 |
| \$22,000 | \$22,000 |
| \$26,000 | \$25,000 |

18. According to the income and consumption schedules shown above, the marginal propensity to consume is
- (A) 1.33
 (B) 0.90
 (C) 0.80
 (D) 0.75
 (E) decreasing as real disposable income increases
19. Which of the following is an example of frictional unemployment?
- (A) A person quits a job to search for another job.
 (B) A person lacks the skills to fill any of the available jobs.
 (C) A person loses a job because of a recession.
 (D) A person retires from the workforce.
 (E) An unemployed person stops looking for a job.
20. In the long run, a decrease in the money supply will affect the price level and the level of output in which of the following ways?
- | <u>Price Level</u> | <u>Output</u> |
|--------------------|---------------|
| (A) Increase | Increase |
| (B) Increase | No change |
| (C) Decrease | Increase |
| (D) Decrease | Decrease |
| (E) Decrease | No change |

21. If fiscal policy is used to correct a recessionary gap, which of the following would most likely occur in the absence of crowding out in the short run?

| | <u>Real Output</u> | <u>Unemployment</u> |
|-----|--------------------|---------------------|
| (A) | Increase | Decrease |
| (B) | Increase | Increase |
| (C) | Decrease | Decrease |
| (D) | Decrease | Increase |
| (E) | Decrease | No change |

Item 22 was not scored.



23. Given the aggregate demand and aggregate supply curves shown above, if policy makers want to increase real output without causing inflation, they can pursue a policy that will
- (A) increase aggregate demand and decrease aggregate supply by equal amounts
 - (B) decrease aggregate demand only
 - (C) decrease aggregate supply only
 - (D) increase aggregate demand only
 - (E) increase aggregate supply only

24. Which of the following is most likely to increase the real interest rate in Country Z ?
- (A) Country Z's central bank purchases government securities from banks and citizens.
 - (B) Country Z reduces government expenditures.
 - (C) Country Z is viewed as having increased political and economic risk.
 - (D) Country Z's citizens increase their savings in anticipation of needed retirement income.
 - (E) Country Z introduces a tax on consumption goods.
25. Assume that Canada imports more goods and services than it exports. Which of the following is true of the Canadian balance of payments accounts?
- (A) The current account balance must be negative.
 - (B) The current account balance must be positive.
 - (C) The trade balance must be negative.
 - (D) The financial account (formerly called capital account) balance must be negative.
 - (E) The financial account (formerly called capital account) balance must be positive.
26. An economy's full-employment real output will decrease when
- (A) price level increases
 - (B) price level decreases
 - (C) technological change increases labor productivity
 - (D) workers choose shorter weeks to enjoy more leisure time
 - (E) the stock of physical capital is growing at a constant rate
27. Which of the following is true if exchange rates are freely floating?
- (A) The free market forces of demand and supply determine the equilibrium exchange rates.
 - (B) The demand curve for the currency is upward sloping.
 - (C) Only nominal values of currency can be determined.
 - (D) The market determines the equilibrium value of the currency, but governments buy and sell currency at a fixed rate.
 - (E) Governments are unable to affect the international value of their currency.
28. Which of the following combinations of policies is designed to decrease inflation?
- (A) An increase in taxes and a decrease in the reserve requirement
 - (B) An increase in taxes and an open-market purchase of government securities
 - (C) A decrease in taxes and an open-market purchase of government securities
 - (D) An increase in government spending and a decrease in the discount rate
 - (E) A decrease in government spending and an open-market sale of government securities
29. When Country X's central bank engages in monetary policy actions that lead to a decrease in interest rates, the international value of Country X's currency and Country X's exports and imports will most likely change in which of the following ways?
- | | <u>Value of
the Currency</u> | <u>Exports</u> | <u>Imports</u> |
|-----|----------------------------------|----------------|----------------|
| (A) | Increase | Increase | Increase |
| (B) | Increase | Increase | Decrease |
| (C) | Increase | Decrease | Decrease |
| (D) | Decrease | Increase | Decrease |
| (E) | Decrease | Increase | Increase |
30. A country's real gross domestic product is the annual value of all final goods and services that are
- (A) purchased in that country, adjusted for changes in the price level
 - (B) produced in that country, expressed in current prices
 - (C) produced in that country, less exports
 - (D) produced in that country, less depreciation
 - (E) produced in that country, adjusted for changes in the price level
31. If a change in aggregate demand results in a recession, the price level and real output will change in which of the following ways in the short run?
- | | <u>Price Level</u> | <u>Real Output</u> |
|-----|--------------------|--------------------|
| (A) | No change | Increase |
| (B) | Increase | No change |
| (C) | Increase | Decrease |
| (D) | Decrease | No change |
| (E) | Decrease | Decrease |

32. In the aggregate demand-aggregate supply model, economic growth can best be represented by a
- (A) leftward shift of the long-run aggregate supply curve
 - (B) rightward shift of the long-run aggregate supply curve
 - (C) rightward shift of the short-run aggregate supply curve
 - (D) rightward shift of the aggregate demand curve
 - (E) leftward shift of the aggregate demand curve
33. An increase in which of the following leads to an increase in output per worker?
- (A) Income tax rates
 - (B) Real interest rate
 - (C) The labor-force participation rate
 - (D) The stock of physical capital per worker
 - (E) The number of workers per unit of capital
34. The United States national debt is
- (A) the amount of money owed by the federal government to United States citizens
 - (B) the amount of money owed by the federal government to other United States government agencies
 - (C) the amount of currency in the hands of foreigners
 - (D) the amount of money owed by state and local governments to United States citizens
 - (E) the amount of money owed to holders of United States government securities
35. Classical economists believe that the economy moves toward full employment because
- (A) government spending supplements private investment to keep aggregate demand in balance with aggregate supply
 - (B) households spend all of their disposable income to purchase the full-employment output
 - (C) wages and prices are flexible
 - (D) private investment is constant and independent of national income
 - (E) the money supply grows at a constant rate to generate sufficient demand to purchase the full-employment output
36. Which of the following would shift a country's production possibilities curve inward?
- (A) A reduction in the country's inflation rate
 - (B) A reduction in the country's real interest rate
 - (C) A reduction in the size of the country's labor force
 - (D) An increase in the typical retirement age in the country
 - (E) An increase in the country's cyclical unemployment rate
37. If the central bank conducts an open-market purchase of bonds, which of the following will occur?
- (A) The price of bonds will increase.
 - (B) The money supply will decrease.
 - (C) Total bank reserves will decrease.
 - (D) Consumption will decrease.
 - (E) The government will balance its budget.
38. According to the short-run Phillips curve, a contractionary fiscal policy will result in
- (A) a decrease in both unemployment and prices
 - (B) a decrease in inflation and an increase in unemployment
 - (C) a decrease in both wage rates and unemployment
 - (D) an increase in both wage rates and unemployment
 - (E) an increase in unemployment due to crowding out
39. A short-run increase in national income could be caused by a decrease in which of the following?
- (A) Consumption
 - (B) Investment
 - (C) Imports
 - (D) Government spending
 - (E) Exports
40. The loanable funds market is best described as bringing together
- (A) savers and borrowers
 - (B) investors and borrowers
 - (C) financial institutions and investors
 - (D) savers and lenders
 - (E) banks and savers

41. An unanticipated decrease in aggregate demand will most likely cause the unemployment rate and the inflation rate to change in which of the following ways?

| <u>Unemployment Rate</u> | <u>Inflation Rate</u> |
|------------------------------|---------------------------|
| (A) Increase | Increase |
| (B) Increase | Decrease |
| (C) Increase | No change |
| (D) Decrease | Increase |
| (E) Decrease | Decrease |

42. Assume that Atlantic National Bank has demand deposits of \$100,000 and no excess reserves, and that the reserve requirement is 10 percent. A customer withdraws \$5,000 from the bank. To meet the reserve requirement, the bank must increase its reserves by
- (A) \$500
(B) \$1,000
(C) \$2,000
(D) \$4,000
(E) \$4,500

Item 43 was not scored.

44. Suppose that the economy is in the midst of a recession and government policy makers want to increase aggregate demand by \$600 billion. If the economy's marginal propensity to consume is 0.75 and there is no crowding out, the government should do which of the following?

- (A) Increase spending by \$2,400 billion.
(B) Increase spending by \$600 billion.
(C) Increase spending by \$150 billion.
(D) Decrease taxes by \$150 billion.
(E) Decrease taxes by \$600 billion.

45. Assume that Linda deposits in her checking account the \$1,000 cash she was keeping at home for an emergency. If the required reserve ratio is 0.20, what is the maximum change in the money supply from her deposit?

- (A) \$1,000
(B) \$1,250
(C) \$2,000
(D) \$4,000
(E) \$5,000

| <u>Price</u> | <u>Quantity Demanded (Bushels)</u> | <u>Quantity Supplied (Bushels)</u> |
|--------------|--|--|
| \$2.00 | 10,000 | 40,000 |
| \$1.75 | 15,000 | 35,000 |
| \$1.50 | 20,000 | 20,000 |
| \$1.25 | 25,000 | 15,000 |
| \$1.00 | 30,000 | 10,000 |
| \$0.75 | 35,000 | 5,000 |

46. The table above shows the quantity demanded and quantity supplied for bushels of wheat at various prices. Which of the following combinations is the equilibrium price and quantity for wheat?

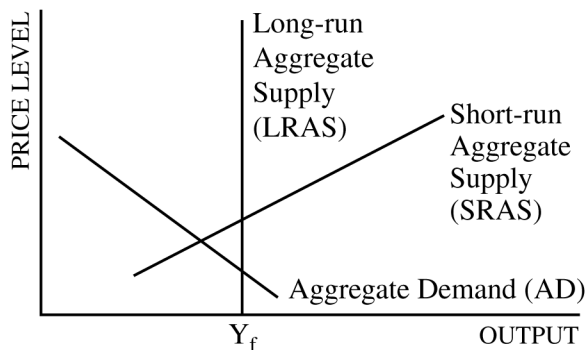
| <u>Price</u> | <u>Bushels of Wheat</u> |
|--------------|-------------------------|
| (A) \$2.00 | 10,000 |
| (B) \$1.75 | 15,000 |
| (C) \$1.50 | 20,000 |
| (D) \$1.25 | 30,000 |
| (E) \$0.75 | 5,000 |

ANNUAL CONSUMER PRICE INDEX (CPI)

| <u>Year</u> | <u>CPI</u> |
|-------------|------------|
| 1929 | 20 |
| 1984 | 100 |
| 1995 | 120 |

47. The table above shows the consumer price index for selected years. On the basis of these data, how much did it cost in 1995 to buy the same goods and services that cost \$50 in 1929 ?
- (A) \$25
(B) \$100
(C) \$125
(D) \$250
(E) \$300
48. The aggregate demand curve assumes that
- (A) as the price of a good or service increases, nominal wages decrease
(B) as the domestic price level increases, consumers substitute domestic goods for foreign goods
(C) all prices and total consumer incomes are constant
(D) changes in the price level affect real wealth
(E) nominal interest rates increase as the price level decreases
49. Which of the following best describes the present value of one dollar received one year from today?
- (A) It is worth more than a dollar received today.
(B) It is worth less than a dollar received today.
(C) It has the same value as a dollar received today.
(D) It decreases as interest rates decrease.
(E) It is not affected by changes in interest rates.
50. If an increase in government spending, financed by borrowing, crowded out an equal amount of private spending, which of the following would result?
- (A) Interest rates would decrease.
(B) Aggregate demand would remain unchanged.
(C) The price level would increase.
(D) Unemployment would increase.
(E) Unemployment would decrease.
51. An increase in which of the following will cause an increase in the demand for money?
- (A) The interest rate
(B) The supply of money
(C) The price level
(D) The velocity of money
(E) The trade deficit
52. Suppose that in a particular country, nominal gross domestic product (GDP) grew by 8 percent, and the GDP deflator increased by 10 percent. The country's growth rate of real GDP would be approximately equal to
- (A) -2%
(B) -0.8%
(C) 0.8%
(D) 2%
(E) 18%

53. Assume that the marginal propensity to consume is 0.90. As a result of an increase in the tax rates, the government collects an additional \$20 million. What will be the impact on gross domestic product (GDP) ?
- (A) GDP will increase by a maximum of \$200 million.
 - (B) GDP will increase by a maximum of \$180 million.
 - (C) GDP will decrease by a maximum of \$200 million.
 - (D) GDP will decrease by a maximum of \$180 million.
 - (E) GDP will decrease by a maximum of \$20 million.
54. Which of the following best describes an economy at full employment?
- (A) The rate of unemployment is zero.
 - (B) There is only structural and cyclical unemployment.
 - (C) There is only cyclical unemployment.
 - (D) There is cyclical, but not structural, unemployment.
 - (E) There is frictional, but not cyclical, unemployment.
55. Wally can make 40 units of good X or 30 units of good Y in a day, and Sam can make 20 units of good X or 10 units of good Y in a day. Assuming constant trade-offs between good X and good Y, which of the following is true?
- (A) Sam has a comparative advantage in making good X.
 - (B) Sam has a comparative advantage in making good Y.
 - (C) Wally has a comparative advantage in making both goods.
 - (D) Sam has an absolute advantage in making good X.
 - (E) Sam has an absolute advantage in making good Y.
56. Automatic stabilizers can do which of the following?
- (A) Offset the destabilizing influence of changes in tax revenues
 - (B) Aid the economy to move away from the full-employment output level
 - (C) Allow policymakers to formulate a set of rules flexible and comprehensive enough to eliminate discretionary actions
 - (D) Cause tax revenues to decrease when gross domestic product (GDP) decreases and to increase when GDP increases
 - (E) Allow policymakers to prescribe public works programs during inflationary periods because expenditures for unemployment and welfare have correspondingly decreased



57. According to the graph above, which of the following statements about the economy is true?
- (A) The economy is in long-run equilibrium.
 - (B) The LRAS curve will automatically shift to the right, restoring long-run equilibrium.
 - (C) In the short run, if wages are sticky the SRAS will shift to the right, lowering prices.
 - (D) The economy is in a recession, requiring decreases in spending to restore full employment.
 - (E) Wages will eventually decrease, restoring full employment in the long run.
58. An increase in Canada's real interest rates relative to real interest rates in the rest of the world will lead to which of the following in Canada?
- (A) An increase in exports
 - (B) A decrease in imports
 - (C) A reduced government budget deficit
 - (D) Financial capital inflow
 - (E) Depreciation of the Canadian dollar
59. The real interest rate earned is the
- (A) same as the nominal interest rate when inflation is moderate
 - (B) cost of borrowing in current consumer prices
 - (C) cost of borrowing in current producer prices
 - (D) cost of borrowing adjusted for the rate of change in the price level
 - (E) nominal interest rate adjusted for the growth rate of the economy
60. When purchasing her house, Ms. Jones took out a 15-year mortgage loan from a local bank at a fixed interest rate of 7 percent. The rate of expected inflation at the time was 3 percent. If the actual rate of inflation was 4.5 percent, which of the following is true?
- (A) The bank gained because the real rate of interest increased by 1.5%.
 - (B) The bank gained because the real rate of interest became 3.5%.
 - (C) The bank lost because the real rate of interest decreased by 1.5%.
 - (D) Ms. Jones gained because the nominal rate of interest increased by 1.5%.
 - (E) Ms. Jones lost because the nominal rate of interest became 3.5%.

END OF SECTION I

**IF YOU FINISH BEFORE TIME IS CALLED, YOU MAY
CHECK YOUR WORK ON THIS SECTION.**

DO NOT GO ON TO SECTION II UNTIL YOU ARE TOLD TO DO SO.

MAKE SURE YOU HAVE DONE THE FOLLOWING.

- **PLACED YOUR AP NUMBER LABEL ON YOUR ANSWER SHEET**
- **WRITTEN AND GRIDDED YOUR AP NUMBER CORRECTLY ON YOUR ANSWER SHEET**
- **TAKEN THE AP EXAM LABEL FROM THE FRONT OF THIS BOOKLET AND PLACED IT ON YOUR ANSWER SHEET**

Section II: Free-Response Questions

This is the free-response section of the 2015 AP exam.
It includes cover material and other administrative instructions
to help familiarize students with the mechanics of the exam.
(Note that future exams may differ in look from the following content.)

AP[®] Macroeconomics Exam

SECTION II: Free Response

2015

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

At a Glance

Total Time

1 hour

Number of Questions

3

Percent of Total Score

33.33%

Writing Instrument

Pen with black or dark blue ink

Reading Period

Time

10 minutes. Use this time to read the questions and plan your answers.

Writing Period

Time

50 minutes

Question 1

Suggested Time

25 minutes

Percent of Section II Score

50%

Question 2

Suggested Time

12.5 minutes

Percent of Section II Score

25%

Question 3

Suggested Time

12.5 minutes

Percent of Section II Score

25%

IMPORTANT Identification Information

PLEASE PRINT WITH PEN:

1. First two letters of your last name

First letter of your first name

2. Date of birth

Month Day Year

3. Six-digit school code

4. Unless I check the box below, I grant the College Board the unlimited right to use, reproduce, and publish my free-response materials, both written and oral, for educational research and instructional purposes. My name and the name of my school will not be used in any way in connection with my free-response materials. I understand that I am free to mark "No" with no effect on my score or its reporting.

No, I do not grant the College Board these rights. ☐

Instructions

The questions for Section II are printed in this booklet. You may use page 3 and the pages the questions are printed on to organize your answers and for scratch work, but you must write your answers on the lined pages provided for each question.

The proctor will announce the beginning and end of the reading period. You are advised to spend the 10-minute period reading all the questions and planning your answers.

Write clearly and legibly. Do not skip lines. Cross out any errors you make; crossed-out work will not be scored.

Manage your time carefully. You may proceed freely from one question to the next. You may review your responses if you finish before the end of the exam is announced.

Form I

Form Code 4KBP6-S

35

MACROECONOMICS
Section II
Planning Time—10 minutes
Writing Time—50 minutes

Directions: You have 10 minutes to read all of the questions in this booklet, to sketch graphs, to make notes, and to plan your answers. You will then have 50 minutes to answer all three of the following questions. It is suggested that you spend approximately half your time on the first question and divide the remaining time equally between the next two questions. Include correctly labeled diagrams, if useful or required, in explaining your answers. A correctly labeled diagram must have all axes and curves clearly labeled and must show directional changes. Use a pen with black or dark blue ink.

Question 1 begins on page 4.

Question 2 begins on page 10.

Question 3 begins on page 14.

THIS PAGE MAY BE USED FOR TAKING NOTES AND PLANNING YOUR ANSWERS.

NOTES WRITTEN ON THIS PAGE WILL NOT BE SCORED.

WRITE ALL YOUR RESPONSES ON THE LINED PAGES.

GO ON TO THE NEXT PAGE.

1. Assume that a country's economy is in long-run equilibrium.
 - (a) Using a correctly labeled graph of aggregate demand, short-run aggregate supply, and long-run aggregate supply, show the short-run equilibrium price level, labeled PL_1 , and output level, labeled Y_1 .
 - (b) Assume that increased uncertainty has reduced business orders for equipment. What is the impact of the change in business orders on each of the following in the short run?
 - (i) Aggregate demand. Explain.
 - (ii) Employment
 - (c) Based on the change in business orders, what will happen to the long-run economic growth rate? Explain.
 - (d) Using a correctly labeled graph of the loanable funds market, show the effect of the change in business orders on the real interest rate in the country in the short run.
 - (e) Given the effect on the real interest rate identified in part (d), what will happen to each of the following?
 - (i) The supply of the country's currency on the foreign exchange market. Explain.
 - (ii) The international value of the country's currency
-

THIS PAGE MAY BE USED FOR TAKING NOTES AND PLANNING YOUR ANSWERS.

NOTES WRITTEN ON THIS PAGE WILL NOT BE SCORED.

WRITE ALL YOUR RESPONSES ON THE LINED PAGES.

[illegible]

Question 1 is reprinted for your convenience.

1. Assume that a country's economy is in long-run equilibrium.
 - (a) Using a correctly labeled graph of aggregate demand, short-run aggregate supply, and long-run aggregate supply, show the short-run equilibrium price level, labeled PL_1 , and output level, labeled Y_1 .
 - (b) Assume that increased uncertainty has reduced business orders for equipment. What is the impact of the change in business orders on each of the following in the short run?
 - (i) Aggregate demand. Explain.
 - (ii) Employment
 - (c) Based on the change in business orders, what will happen to the long-run economic growth rate? Explain.
 - (d) Using a correctly labeled graph of the loanable funds market, show the effect of the change in business orders on the real interest rate in the country in the short run.
 - (e) Given the effect on the real interest rate identified in part (d), what will happen to each of the following?
 - (i) The supply of the country's currency on the foreign exchange market. Explain.
 - (ii) The international value of the country's currency
-

THIS PAGE MAY BE USED FOR TAKING NOTES AND PLANNING YOUR ANSWERS.

NOTES WRITTEN ON THIS PAGE WILL NOT BE SCORED.

WRITE ALL YOUR RESPONSES ON THE LINED PAGES.

[illegible]

[illegible]

[illegible]

2. Kathy deposits \$10,000 cash into her checking account at First Federal Bank. The required reserve ratio is 20 percent.
- (a) Calculate the maximum possible change in First Federal's loans as a result of Kathy's deposit.
 - (b) After all adjustments in the banking system have occurred, calculate the maximum possible change in each of the following as a result of Kathy's deposit.
 - (i) Demand deposits in the banking system
 - (ii) The money supply
 - (c) Draw a correctly labeled graph of the money market and show the effect of Kathy's deposit on the nominal interest rate.
 - (d) Identify ONE reason that the change in the money supply could differ from the value calculated in part (b)(ii).
-

THIS PAGE MAY BE USED FOR TAKING NOTES AND PLANNING YOUR ANSWERS.

NOTES WRITTEN ON THIS PAGE WILL NOT BE SCORED.

WRITE ALL YOUR RESPONSES ON THE LINED PAGES.

[illegible]

[illegible]

[illegible]

3. The economy in Country X is in a recession, with real gross domestic product (GDP) \$100 billion below full-employment output.
- (a) Draw one correctly labeled graph of the short-run and long-run Phillips curves, labeling the current equilibrium point A.
 - (b) Assume that the government increases spending by \$20 billion to stimulate economic activity. Assume that the marginal propensity to save is 0.25. Calculate the maximum total change in real GDP that could occur following the \$20 billion increase in government spending.
 - (c) On your graph in part (a), label the new equilibrium point B as a result of the increase in government spending.
 - (d) Had the government lowered personal income taxes by \$20 billion instead of increasing spending by \$20 billion, would the maximum total change in real GDP be greater than, smaller than, or the same as the one calculated in part (b) ? Explain.
-

THIS PAGE MAY BE USED FOR TAKING NOTES AND PLANNING YOUR ANSWERS.

NOTES WRITTEN ON THIS PAGE WILL NOT BE SCORED.

WRITE ALL YOUR RESPONSES ON THE LINED PAGES.

[illegible]

[illegible]

[illegible]

STOP

END OF EXAM

THE FOLLOWING INSTRUCTIONS APPLY TO THE COVERS OF THE SECTION II BOOKLET.

- **MAKE SURE YOU HAVE COMPLETED THE IDENTIFICATION INFORMATION AS REQUESTED ON THE FRONT AND BACK COVERS OF THE SECTION II BOOKLET.**
- **CHECK TO SEE THAT YOUR AP NUMBER LABEL APPEARS IN THE BOX ON THE COVER.**
- **MAKE SURE YOU HAVE USED THE SAME SET OF AP NUMBER LABELS ON ALL AP EXAMS YOU HAVE TAKEN THIS YEAR.**

Multiple-Choice Answer Key

The following contains the answers to the multiple-choice questions in this exam.

**Answer Key for AP Macroeconomics
Practice Exam, Section I**

| | |
|----------------|-----------------|
| Question 1: A | Question 31: E |
| Question 2: B | Question 32: B |
| Question 3: D | Question 33: D |
| Question 4: D | Question 34: E |
| Question 5: C | Question 35: C |
| Question 6: B | Question 36: C |
| Question 7: E | Question 37: A |
| Question 8: A | Question 38: B |
| Question 9: B | Question 39: C |
| Question 10: A | Question 40: A |
| Question 11: D | Question 41: B |
| Question 12: D | Question 42: E |
| Question 13: E | Question 43: ** |
| Question 14: C | Question 44: C |
| Question 15: C | Question 45: D |
| Question 16: A | Question 46: C |
| Question 17: A | Question 47: E |
| Question 18: D | Question 48: D |
| Question 19: A | Question 49: B |
| Question 20: E | Question 50: B |
| Question 21: A | Question 51: C |
| Question 22: * | Question 52: A |
| Question 23: E | Question 53: D |
| Question 24: C | Question 54: E |
| Question 25: C | Question 55: A |
| Question 26: D | Question 56: D |
| Question 27: A | Question 57: E |
| Question 28: E | Question 58: D |
| Question 29: D | Question 59: D |
| Question 30: E | Question 60: C |

*Item 22 was not scored.

**Item 43 was not scored.

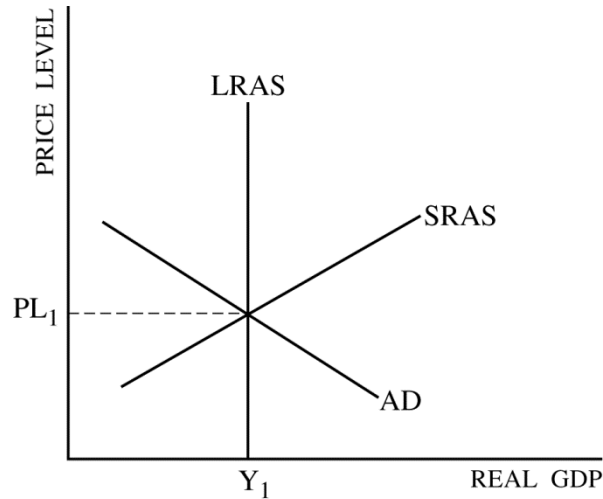
Free-Response Scoring Guidelines

The following contains the scoring guidelines for the free-response questions in this exam.

**AP[®] MACROECONOMICS
2015 SCORING GUIDELINES**

Question 1

11 Points (2+2+2+2+3)



(a) 2 points:

- One point is earned for drawing a correctly labeled graph, showing AD, SRAS, and PL_1 .
- One point is earned for drawing a vertical LRAS curve at Y_1 that is at the intersection of AD and SRAS.

(b) 2 points:

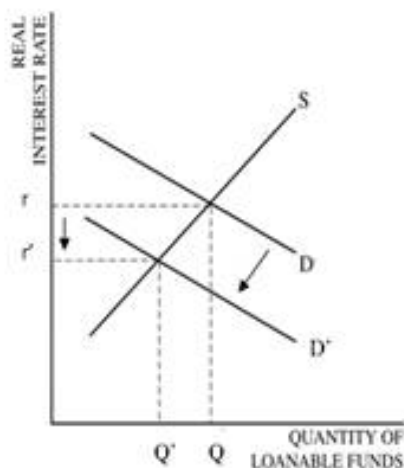
- One point is earned for concluding that AD decreases because investment is a component of AD.
- One point is earned for concluding that employment decreases.

(c) 2 points:

- One point is earned for stating that long-run economic growth rate will decrease.
- One point is earned for explaining that lower investment will decrease capital formation.

**AP[®] MACROECONOMICS
2015 SCORING GUIDELINES**

Question 1 (continued)



(d) 2 points:

- One point is earned for drawing a correctly labeled graph of the loanable funds market.
- One point is earned for shifting the demand curve to the left and showing a decrease in the real interest rate.

(e) 3 points:

- One point is earned for stating that the supply of the country's currency will increase.
- One point is earned for explaining that because of the lower real interest rate within the country, domestic funds will be attracted to financial assets in foreign countries in order to receive higher returns.
- One point is earned for stating that the country's currency will depreciate in value.

**AP[®] MACROECONOMICS
2015 SCORING GUIDELINES**

Question 2

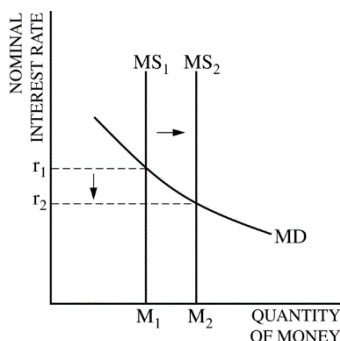
6 Points (1+2+2+1)

(a) 1 point:

- One point is earned for calculating \$8,000.

(b) 2 points:

- One point is earned for calculating the maximum possible change in demand deposits: \$50,000.
- One point is earned for calculating the maximum possible change in money supply: \$40,000.



(c) 2 points:

- One point is earned for drawing a correctly labeled money market graph.
- One point is earned for shifting the supply curve to the right and showing a decrease in the nominal interest rate.

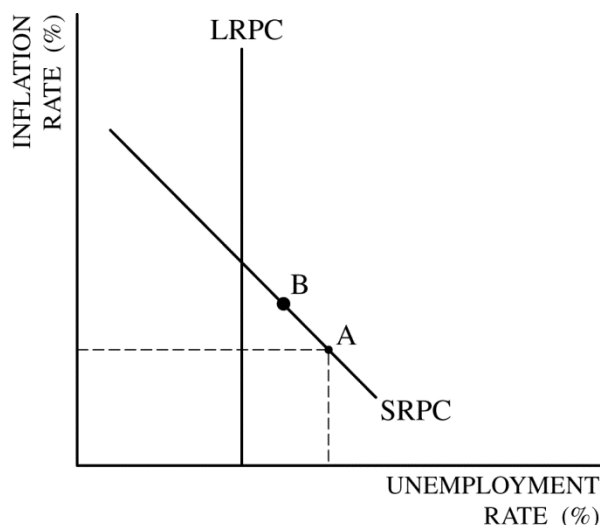
(d) 1 point:

- One point is earned for identifying a correct reason, e.g. banks holding excess reserves, cash leakage, etc.

**AP[®] MACROECONOMICS
2015 SCORING GUIDELINES**

Question 3

6 Points (2+1+2+1)



(a) 2 points:

- One point is earned for correctly labeled graph of the Phillips curve, with a downward-sloping short-run and a vertical long-run Phillips curve
- One point is earned for showing point A that is on the short-run Phillips curve to the right of the long-run Phillips curve.

(b) 1 point:

- One point is earned for calculating the maximum possible change in real GDP: \$80 billion.

(c) 2 point:

- One point is earned for placing point B on the SRPC to the left of point A.
- One point is earned for showing point B on the short-run Phillips curve between point A and the long-run Phillips curve.

(d) 1 point:

- One point is earned for stating that the change caused by tax decrease would be smaller because:
 - part of the increase in personal income will be saved rather than consumed, or
 - students may show by calculating the increase in GDP, \$60 billion, or
 - because the tax multiplier is smaller than the spending multiplier

Scoring Worksheet

The following provides a scoring worksheet and conversion table used for calculating a composite score of the exam.

2015 AP Macroeconomics Scoring Worksheet

Section I: Multiple Choice

$$\frac{\text{Number Correct}}{\text{(out of 58*)}} \times 1.0344 = \frac{\text{Weighted Section I Score}}{\text{(Do not round)}}$$

Section II: Free Response

$$\text{Question 1} \quad \frac{\text{_____}}{\text{(out of 11)}} \times 1.3636 = \frac{\text{_____}}{\text{(Do not round)}}$$

$$\text{Question 2} \quad \frac{\text{_____}}{\text{(out of 6)}} \times 1.2500 = \frac{\text{_____}}{\text{(Do not round)}}$$

$$\text{Question 3} \quad \frac{\text{_____}}{\text{(out of 6)}} \times 1.2500 = \frac{\text{_____}}{\text{(Do not round)}}$$

$$\text{Sum} = \frac{\text{Weighted Section II Score}}{\text{(Do not round)}}$$

Composite Score

$$\frac{\text{Weighted Section I Score}}{\text{_____}} + \frac{\text{Weighted Section II Score}}{\text{_____}} = \frac{\text{Composite Score}}{\text{(Round to nearest whole number)}}$$

AP Score Conversion Chart
Macroeconomics

| Composite Score Range | AP Score |
|-----------------------|----------|
| 66-90 | 5 |
| 53-65 | 4 |
| 44-52 | 3 |
| 34-43 | 2 |
| 0-33 | 1 |

*Although 60 multiple-choice items were administered in Section I, items 22 and 43 were not used in scoring.

AP Macroeconomics

The College Board

The College Board is a mission-driven not-for-profit organization that connects students to college success and opportunity. Founded in 1900, the College Board was created to expand access to higher education. Today, the membership association is made up of over 6,000 of the world's leading educational institutions and is dedicated to promoting excellence and equity in education. Each year, the College Board helps more than seven million students prepare for a successful transition to college through programs and services in college readiness and college success — including the SAT® and the Advanced Placement Program®. The organization also serves the education community through research and advocacy on behalf of students, educators, and schools. The College Board is committed to the principles of excellence and equity, and that commitment is embodied in all of its programs, services, activities, and concerns.