

PRACTICE TEST #2 ANSWER GUIDE – PART A

Question	9:00 V1
1	C
3	C
4	C
6	A
9	D
11	D
12	D
15	A
18	C
23	C
24	E
29	C
30	B

Short Answer

1. a.

	Nominal GDP	Real GDP
2001	\$7000	\$4000
2002	\$6800	\$6800
2003	\$7000	\$9000

b. 2001 deflator = 175; 2002 deflator = 100; inflation rate = -43%

2. a. \$2.50 b. \$202.67