ECON 202 - MACROECONOMIC PRINCIPLES

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iClicker Questions

This version was compiled on: March 1, 2017.

Example: Question 1: Warm-Up

Who is the current president of the USA?

A) George Bush

B) Barack Obama

C) Hillary Clinton

D) George Clinton

E) **Donald Trump**

Lecture 2: Warm-Up - Question 1

Who is the current president of the USA?

A) George Bush
B) Barack Obama
C) Hillary Clinton
D) George Clinton
E) **Donald Trump**

Lecture 2: Question 2

How large is nominal GDP in the US in 2015?

A) 16 Billion USD

B) 18 Billion USD

C) 16 Trillion USD

D) **18 Trillion USD**

E) 20 Trillion USD

Lecture 2: Question 3

What is GDP per capita in the US?

A) \$35,000

B) \$45,000

C) **\$55,000**

D) \$65,000

E) \$75,000

Lecture 2: Cool-Down 1

What is Okun's law?

A) The negative relationship between inflation and the rate of unemployment

B) **The negative relationship between growth in unemployment and growth of GDP**

C) The positive relationship between growth in unemployment and growth of GDP

D) The positive relationship between inflation and the rate of unemployment

E) The positive correlation between the real interest rate and economic growth

Lecture 2: Cool-Down 2

The U.S. is the largest economy in the world in terms of real GDP?

A) **True**
B) False

Lecture 3: Question 1

How large is nominal GDP in the US in 2015?

A) 16 Billion USD

B) 18 Billion USD

C) 16 Trillion USD

D) **18 Trillion USD**

E) 20 Trillion USD

Lecture 3: Question 2

How large is per capita GDP in the US in 2015?

A) 40,000 USD

B) 45,000 USD

C) 50,000 USD

D) **55,000 USD**

E) 60,000 USD

Lecture 3: Question 3

In the US, household consumption (durable, non-durable + services) is roughly

A) 20% of GDP

B) 1/3 of GDP

C) 1/2 of GDP

D) **2/3 of GDP**

E) 80% of GDP

Lecture 3: Question 4

The U.S. is the largest economy in the world in terms of real GDP?

A) **True**
B) False

Lecture 3: Question 5 - Cool Down

A macroeconomic model

A) is a detailed depiction of the overall economy that is always true

B) prevents recessions

C) is an approximation of the economy that results in true forecasts of future aggregate variables

D) **is an approximation of the economy that results in approximate forecasts of future aggregate variables**

E) decreases inflation

Lecture 3: Question 6 - Cool Down

What is Okun's law?

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B) **The negative relationship between growth in unemployment and growth of GDP**

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E) The positive correlation between the real interest rate and economic growth

Lecture 4: Question 1

A macroeconomic model

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D) **is an approximation of the economy that results in approximate forecasts of future aggregate variables**

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Lecture 4: Question 2

The Gini Coefficient measures

A) how rich a nation is

B) how rich the citizens of a nation are on average

C) **how evenly distributed income is within a country**

D) the amount of growth without inflation

E) purchasing power parity adjusted income

Lecture 4: Question 3

Medicare is

A) a part of investment I

B) a part of government consumption G

C) a part of net exports NX

D) **not part of** G

E) a transfer that pays for healthcare of poor people

Lecture 4: Question 4

U.S. Net Exports are positive.

A) True

B) **False**

Lecture 5: Question 1

A pro-cyclical variable is a variable that

A) causes a boom

B) over time moves in the opposite direction of GDP

C) **over time moves with the business cycle**

D) **over time moves in the same direction as GDP**

E) precedes a recession

Lecture 5: Question 2

If an economy produces 50 planes and 500 plane seats for these planes. Planes sell for \$1 million each and plane seats sell for \$100 each. GDP in this economy is

A) \$1 million$\times$50 + \$100$\times$500

B) **\$1 million**$\times$50

C) \$100$\times$500

D) \$1 million$\times$50 - \$100$\times$500

E) -\$1 million$\times$50 + \$100$\times$500

Lecture 5: Question 3

If you sell your TV to a friend for $100, then you have contributed to an increase in GDP of $100.

A) True

B) **False**

Lecture 5: Question 4

If you burn your worst enemy's macroeconomics textbook you decrease GDP by $110 which is the price of the new textbook.

A) True

B) **False**

Lecture 6: Question 1

Cooking a fancy meal at your home on a Sunday increases GDP by the value the same meal would cost at a restaurant.

A) True

B) **False**

Producing raw oil worth $100 million pollutes a nearby water source.
Cleaning the water costs $100 million.
This cancels the increase in GDP from the oil production. So GDP does not increase in this case.

A) True

B) **False**

Lecture 6: Question 3

Country A produces final goods worth $100 million.
Country B produces final goods worth $100 million.
Workers in country A get two weeks of vacation. Workers in country B get four weeks of vacation.
GDP in Country B is higher because they have more leisure.

A) True

B) **False**

Lecture 7: Question 1

Net exports in the U.S. are roughly

A) 1% of GDP and negative

B) 1% of GDP and positive

C) 3 % of GDP and positive

D) **3% of GDP and negative**

E) 5% of GDP and negative

Lecture 7: Question 2

The GDP Deflator is defined as

A) real GDP/nominal GDP*100

B) **nominal GDP/real GDP*100**

C) real GDP * nominal GDP*100

D) nominal GDP/inflation*100

E) nominal GDP - real GDP*100

Lecture 7: Question 2

Nominal GDP in year 2015 (the **base year**) is \$5 million. The price inflation was 10% from the previous year. Real GDP in 2015 is:

A) \$5million $\times$ inflation

B) \$5million / inflation

C) **\$5million**

D) \$5million $+$ inflation

E) \$5million $-$ inflation

Lecture 8: Question 1

A trade tariff on imports of a good

A) increases the demand for this good because it now becomes more valuable

B) decreases the domestic supply of this good

C) **decreases the overall supply of this good**

D) **decreases foreign supply of this good**

E) None of the above

Lecture 8: Question 2

An import quota for a good

A) imposes a maximum price for this good

B) increases the supply of this good

C) **limits supply of this good to a certain quantity specified by the quota**

D) decreases the price for the good in the domestic market

E) None of the above

Lecture 8: Question 3

The Terms of Trade

A) describes how well trade contracts are written with foreign nations

B) specifies how much trade is allowed by the government

C) describes environmental conditions that may help or hinder trade (e.g., distance, safety concerns, etc.)

D) **is the relative price of the export good over the import good**

E) None of the above

Lecture 8: Question 4

A country can either produce 80 cars or 20 trucks. The slope of the production possibilities frontier is

A) 80

B) -40

C) -4**x**

D) -2

E) -0.25x

Lecture 9: Question 1

A laid-off steel worker not being able to find a job after a steel plant closed in Pittsburgh and steel production has moved elsewhere is defined as:

A) cyclically unemployed

B) discouraged worker

C) **structurally unemployed**

D) frictionally unemployed

E) seasonally unemployed

Lecture 9: Question 2

The labor force participation rate is defined as

A)

$$\frac{\text{empoyed } + \text{discouraged workers}}{\text{labor force}}$$

B)

$$\frac{\text{employed}}{\text{labor force}}$$

C) x

$$\frac{\text{employed} + \text{unemployed}}{\text{population} \geq 16}$$

D) x

$$\frac{\text{labor force}}{\text{population} \geq 16}$$

Lecture 9: Question 3

The official U.S. unemployment rate is around

A) 2.9%

B) 3.9%

C) **4.9%**

D) 5.9%

E) 6.9%