

Student Name: _____
Teacher Name: Mr. Westmoreland
Class Name/Subject: Economics
Period: _____
Assignment Week #: 3

Econ Quiz Toipic 5.1.2.3.4 & 7.1.2.4.5 - Available Online at: <https://bit.ly/3coiRyh>

Multiple Choice

Identify the choice that best completes the statement or answers the question. 1 point each.

_____ 1.



What can you conclude about unemployment claims in 2009?

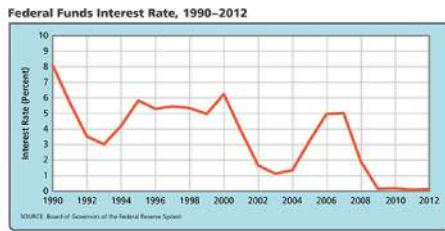
- a. They spiked because the economy was suffering from the impact of a financial crisis.
 - b. They were flat because lawmakers had passed the Troubled Asset Relief Program.
 - c. They rose slightly because a significant number of workers went back to school.
 - d. They fell because employers hired unskilled workers at lower wages than skilled workers.
- _____ 2. Which of the following is a reason for employers to hire more temporary workers instead of permanent workers?
- a. Employers know that statistics show that most people prefer temporary employment.
 - b. Employers can cut costs because temporary workers typically receive fewer benefits.
 - c. Employers don't have to pay Social Security and Medicare taxes for temporary workers.
 - d. Employers can pay temporary workers less than the federal minimum wage.
- _____ 3. The total amount of goods and services in the economy available at all possible price levels is
- a. the aggregate supply.
 - b. the aggregate demand.
 - c. the gross domestic product.
 - d. the aggregate demand equilibrium.
- _____ 4. *"We know there are a lot of people in the unemployment pool that do not match up in their skill set for what jobs are going to be created, and that's an area we've got to keep pressing on."*

—Austan Goolsbee, economics professor at the University of Chicago Booth School of Business, January 10, 2012

In this quote, Professor Goolsbee is discussing

- a. seasonal unemployment.
- b. cyclical unemployment.
- c. frictional unemployment.
- d. structural unemployment.

5.



What did the Federal Reserve do to interest rates in 2008, and why?

- It lowered rates to encourage businesses to reduce spending.
- It lowered rates to encourage business investment and economic growth.
- It raised rates to force the government to lower taxes.
- It raised rates to slow economic growth.

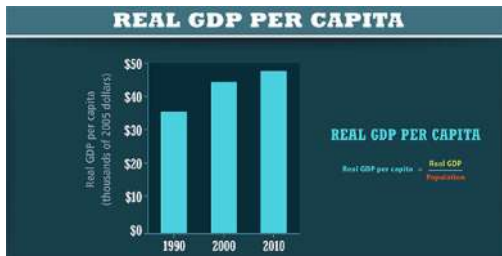
6. Which of the following is an example of an external shock?

- collapse of the housing market
- a destructive earthquake
- hyperinflation
- seasonal unemployment

7. Describe the purchasing power of a person who hasn't received a raise in three years and whose savings earns 0.5 percent while the inflation rate is 2 percent.

- His purchasing power is increasing.
- His purchasing power is remaining the same.
- His purchasing power is decreasing.
- His purchasing power is fluctuating.

8.



Which of the following can you conclude from this chart?

- The economy didn't grow in the 2000s.
- The economy didn't suffer through any recessions in the 1990s.
- The economy performed better in the 1990s than it did in the 2000s.
- The economy performed better in 2000 than in 1990.

Essay

9. 2 - 3 minimum complete sentences. 5 points.

Draw Conclusions Why should young people care about trends in the labor force and trends in wages and benefits?

10. 5 - 6 minimum complete sentences(questions). 12 points.

Make Decisions Suppose a friend asks you to be his or her partner in a business that both of you have pursued as sole proprietors. What are some questions you should you ask before making a decision?