

# Macro Economic questions

## Part I

Budget Rental Car buys new automobiles for its business from a U.S. company. The value of transaction would be included in which category of the GDP?

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When looking at macroeconomic figures that measure the supply and demand for all products in an entire nation, rather than just one product at a time, these measurements are

- a. business cycles
- b. consumer price indexes
- c. inflation and GDP
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- d. cyclical



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If aggregate demand and real GDP are beginning to fall and unemployment is beginning to rise, what conclusion could you draw?

- a. The economy is in recovery
- b. The economy is facing a contraction
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Which of the following is NOT a characteristic of a depression?

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- b. Widespread hyper-unemployment
- c. A boom in the stock market
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If employees are long-term unemployed, or in the process of re-entering the work force and begin searching for jobs, he/she is

- a. Cyclically unemployed
- b. Technically unemployed
- c. Structurally unemployed
- d. Frictionally unemployed



If prices are rising but real GDP is falling, the economy is likely experiencing

- a. stagflation
- b. inflation
- c. economic decline
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- b. discouraged worker who is now actively looking for employment
- c. recent college student applying for his first job
- d. felon serving time in prison

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Which transaction would be included in the investment category of the GDP?

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- c. A Canadian manufacturer places an order for American-made industrial equipment
- d. Newlyweds purchase a new home

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