

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 1) All prices are determined in output markets. 1) _____
- 2) Output prices are determined in output markets. 2) _____
- 3) Incomes are determined in output markets. 3) _____
- 4) Incomes are determined in input markets. 4) _____
- 5) Macroeconomics looks at the individual smart choices of consumers and businesses. 5) _____
- 6) Macroeconomics looks at the combined market outcomes of all individual choices. 6) _____
- 7) Microeconomics analyzes the performance of the whole Canadian economy and the global economy. 7) _____
- 8) Macroeconomics analyzes the performance of the whole Canadian economy and the global economy. 8) _____
- 9) The economist most closely associated with the view that markets are *not* quick to adjust is J.B. Say. 9) _____
- 10) The economist most closely associated with the view that markets are quick to adjust is J.B. Say. 10) _____
- 11) The economist most closely associated with the view that markets are quick to adjust is J.M. Keynes. 11) _____
- 12) The economist most closely associated with the view that markets are *not* quick to adjust is J.M. Keynes. 12) _____
- 13) Say's Law states, "What is true for one is *not* true for all." 13) _____
- 14) Say's Law states, "What is true for one is true for all." 14) _____
- 15) According to the fallacy of composition, "What is true for one is true for all." 15) _____
- 16) According to the fallacy of composition, "What is true for one is *not* true for all." 16) _____
- 17) Businesses are sellers in input markets. 17) _____
- 18) Businesses are buyers in input markets. 18) _____
- 19) Households are buyers in input markets. 19) _____

- 20) Households are sellers in input markets. 20) _____
- 21) Say's Law advises, "Be true to your school." 21) _____
- 22) The *paradox of thrift* occurs because if many people choose to save more and spend less, businesses will lower prices. 22) _____
- 23) The *paradox of thrift* occurs because if many people choose to save more and spend less, employment and savings will actually fall. 23) _____
- 24) Mortgages issued to people who cannot really afford houses are called *variable rate* mortgages. 24) _____
- 25) Mortgages issued to people who cannot really afford houses are called *sub-prime* mortgages. 25) _____
- 26) The Great Depression lasted for less than 24 months. 26) _____
- 27) The effects of the Great Depression lasted over 10 years. 27) _____
- 28) In the circular flow of economic life, the government cannot purchase products in output markets. 28) _____
- 29) In the circular flow of economic life, the government sets the rules of the game. 29) _____
- 30) In the circular flow of economic life, businesses set the rules of the game. 30) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 31) Macroeconomics is concerned with 31) _____
A) why you might work more hours if given a pay raise.
B) the performance of the Canadian economy.
C) individual choices.
D) shopping.
E) choices made by business people.
- 32) Macroeconomics is concerned with 32) _____
A) choices made by business people.
B) the global economy.
C) individual choices.
D) why you might work more hours if given a pay raise.
E) shopping.
- 33) Macroeconomics is concerned with 33) _____
A) the global economy.
B) the Canadian economy.
C) money and the financial system.
D) the combined outcomes of all individual choices.
E) all of the above answers.

- 34) Economists argue that the Great Depression of 1929 was worse than the Great Recession of 2009 because in 1929 there were no _____
A) government blunders.
B) bank failures.
C) government programs to cushion the blow.
D) falling prices.
E) stock market crashes.
- 35) The *fallacy of composition* suggests _____
A) all for one and one for all.
B) what goes around, comes around.
C) the needs of the many outweigh the needs of the few, or the one.
D) what is true for one is not true for all.
E) be true to your school.
- 36) Input markets determine _____
A) connections.
B) all prices.
C) loans.
D) outputs.
E) incomes.
- 37) When everybody saves their money, aggregate savings *decrease*. This is an example of _____
A) the Paradox of Thrift.
B) the Kobayashi Maru Scenario.
C) the Fallacy of Combination.
D) the Zero Sum Scenario.
E) Say's Law.
- 38) The economist most closely associated with the "Yes, left alone, markets quickly self-adjust" view is _____
A) J.K. Rowling.
B) A.C. Pigou.
C) J.B. Say.
D) G.B. Shaw.
E) J.M. Keynes.
- 39) The economist most closely associated with the "No, left alone markets fail to quickly self-adjust" is _____
A) Joseph Stiglitz.
B) Norm Peterson.
C) John Maynard Keynes.
D) James Tiberius Kirk.
E) Jean-Baptiste Say.
- 40) Say's Law states: _____
A) What goes up must come down.
B) The meek shall inherit the earth.
C) In the long run, we are all dead.
D) What is true for one is not true for all.
E) Supply creates its own demand.

- 41) According to the *paradox of thrift*, when everyone saves more, 41) _____
A) banks will raise interest rates.
B) government will spend more.
C) businesses will lay off workers.
D) businesses will raise prices.
E) households will spend more.
- 42) In the circular flow of economic life, which players are the main buyers in input markets? 42) _____
A) households
B) economists
C) businesses
D) banks
E) governments
- 43) In the circular flow of economic life, which players are the main sellers in input markets? 43) _____
A) governments
B) banks
C) households
D) businesses
E) economists
- 44) In the circular flow of economic life, which players are the main buyers in output markets? 44) _____
A) households
B) governments
C) economists
D) businesses
E) banks
- 45) In the circular flow of economic life, which players are the main sellers in output markets? 45) _____
A) businesses
B) banks
C) economists
D) households
E) governments
- 46) What do the Great Depression and Great Recession have in common? 46) _____
A) Both were great for depression.
B) Both experienced a rise in prices.
C) Both had government programs like employment insurance.
D) Both had a stock market crash.
- 47) Who is to blame for inflating the housing price bubble? 47) _____
A) homeowners
B) banks and other financial institutions
C) mortgage lenders
D) all of the above
- 48) During the Great Recession, all of the following indicators fell *except* 48) _____
A) unemployment.
B) asset prices.
C) housing prices.
D) stock market values.

- 49) Say's Law claims that _____
 A) supply creates its own demand. B) demand creates its own supply.
 C) demand is greater than supply. D) supply is greater than demand.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 50) J.B. Say would probably vote for the New Democratic Party. 50) _____
- 51) Price stability is not a desirable macroeconomic outcome. 51) _____
- 52) Market failure happens when government fails to serve the market's interests. 52) _____
- 53) Government failure can occur if policymakers make "honest mistakes." 53) _____
- 54) Government failure can make business cycles worse. 54) _____
- 55) Hands-off economists believe that business cycles can be caused by government mistakes. 55) _____
- 56) Hands-on economists believe that business cycles can be caused by normally functioning markets. 56) _____
- 57) Hands-off economists believe that business cycles are caused by normally functioning markets. 57) _____
- 58) Hands-on economists believe that markets do not quickly self-adjust. 58) _____
- 59) Hands-on economists believe that markets quickly self-adjust. 59) _____
- 60) Hands-off economists believe that markets do not quickly self-adjust. 60) _____
- 61) Hands-off economists believe that markets quickly self-adjust. 61) _____
- 62) Hands-off economists believe that government failure is worse than market failure. 62) _____
- 63) Hands-on economists believe that government failure is worse than market failure. 63) _____
- 64) Hands-on economists believe that market failure is worse than government failure. 64) _____
- 65) Hands-off economists believe that market failure is worse than government failure. 65) _____
- 66) The Conservative Party of Canada seems to believe that left alone, markets will quickly self-adjust. 66) _____
- 67) The Conservative Party of Canada (on the political right) believes that government failure is worse than market failure. 67) _____
- 68) The New Democratic Party (on the political left) believes that government failure is worse than market failure. 68) _____
- 69) When everyone expects housing prices to rise, then housing prices will rise. 69) _____

70) J.M. Keynes wrote his book after the Great Depression started.

70) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

71) Which political party is most likely to support a hands-off approach by government?

71) _____

- A) Conservative Party of Canada
- B) New Democratic Party
- C) Liberal Party of Canada
- D) Green Party
- E) Bloc Quebecois

72) Which political party is least likely to support a hands-on approach by government?

72) _____

- A) Liberal Party of Canada
- B) New Democratic Party
- C) Green Party
- D) Bloc Quebecois
- E) Conservative Party of Canada

73) Economists who support a hands-off approach believe that

73) _____

- A) socialism is better than capitalism.
- B) government is part of the solution.
- C) markets fail to quickly self-adjust.
- D) macroeconomic and microeconomic outcomes are different.
- E) supply creates its own demand.

74) Economists who support a hands-on approach believe that

74) _____

- A) macroeconomic and microeconomic outcomes are different.
- B) government is part of the problem.
- C) socialism is better than capitalism.
- D) supply creates its own demand.
- E) markets quickly self-adjust.

75) Economists who support a hands-off approach believe that

75) _____

- A) markets do not exist.
- B) the world is ending in 2016.
- C) markets will not self-adjust.
- D) markets will quickly self-adjust.
- E) demand creates its own supply.

76) Economists who support a hands-on approach believe that

76) _____

- A) demand creates its own supply.
- B) supply creates its own demand.
- C) external events are the major cause of business cycles.
- D) markets adjust quickly.
- E) market failure is worse than government failure.

- 77) Economists who support a hands-off approach believe that 77) _____
A) market failure is worse than government failure.
B) demand creates its own supply.
C) external events are the major cause of business cycles.
D) macroeconomic and microeconomic outcomes are different.
E) markets fail to adjust quickly.
- 78) Economists who support a hands-off approach believe that 78) _____
A) demand creates its own supply.
B) supply creates its own demand.
C) hands-on economists are wimps.
D) markets never fail.
E) governments never fail.
- 79) Economists who support a hands-off approach believe that business cycles are caused by 79) _____
A) irrational investors.
B) banking.
C) expectations.
D) money.
E) external events.
- 80) Economists who support a hands-off approach believe that business cycles are caused by 80) _____
A) government policy.
B) banking.
C) irrational investors.
D) money.
E) expectations.
- 81) Economists who support a hands-on approach believe that business cycles are caused by 81) _____
A) expectations.
B) irrational investors.
C) money.
D) banking.
E) all of the above answers.
- 82) Economists who support a hands-on approach believe that the major cause of business cycles is 82) _____
A) government policy.
B) economists.
C) expectations.
D) government failure.
E) external events
- 83) According to economists, *government failure* happens when 83) _____
A) a minority government is defeated in the House of Commons.
B) economists lie to politicians.
C) policymakers are captured by special interest groups.
D) the public interest can not be defined.
E) politicians make intentional mistakes and lie to voters.

- 84) Which outcome is *not* part of the fundamental macroeconomic question? 84) _____
A) a strong Canadian dollar
B) steady growth in living standards
C) full employment
D) stable prices
E) low unemployment
- 85) Who said, "In the long run, we are all dead?" 85) _____
A) D. Vader
B) J.K. Rowling
C) G.B. Shaw
D) J.B. Say
E) J.M. Keynes
- 86) During the Great Recession, all of the following measures fell *except* 86) _____
A) economic growth.
B) asset prices.
C) stock prices.
D) unemployment.
E) housing prices.
- 87) If J.B. Say were alive today and could vote in Canadian elections, he would probably support the 87) _____
A) New Democratic Party.
B) Bloc Quebecois.
C) Conservative Party of Canada.
D) Green Party.
E) Liberal Party.
- 88) Those favouring a government hands-off approach argue that 88) _____
A) markets will quickly self-adjust.
B) markets will not quickly self-adjust.
C) markets will self-adjust.
D) markets will quickly-self adjust if left alone by government.
- 89) Which political party is most likely to support a hands-off approach by government? 89) _____
A) Liberal Party of Canada
B) NDP
C) Bloc Québécois
D) Conservative Party of Canada

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 90) Gross domestic product is the value of all final products and services produced annually in a country. 90) _____
- 91) GDP includes all goods produced since January 1, 2000. 91) _____
- 92) The inflation rate is measured by the Consumer Price Index. 92) _____
- 93) When the price level falls by 20 percent, products that previously cost \$60 will now cost \$48. 93) _____
- 94) When the price level falls by 20 percent, products that previously cost \$60 will now cost \$40. 94) _____

- 95) When the price level rises by 20 percent, products that previously cost \$60 will now cost \$80. 95) _____
- 96) When the price level rises by 20 percent, products that previously cost \$60 will now cost \$72. 96) _____
- 97) Tiago graduated, but has given up looking for work. Tiago is considered to be unemployed. 97) _____
- 98) Tiago graduated, and is actively looking for work. Tiago is considered to be unemployed. 98) _____
- 99) It is desirable to have cyclical ups and downs in GDP. 99) _____
- 100) It is desirable to have steady growth in GDP. 100) _____
- 101) When the price level falls by 50 percent, products that previously cost \$600 will now cost \$300. 101) _____
- 102) When the price level rises by 10 percent, products that previously cost \$50 will now cost \$60. 102) _____
- 103) Unpredictable changes in the inflation rate are good. 103) _____
- 104) Higher and unpredictable inflation rates are good. 104) _____
- 105) Lower and predictable inflation rates are good. 105) _____
- 106) A fall in the average level of prices is called deflation. 106) _____
- 107) A rise in the average level of prices is called deflation. 107) _____
- 108) When there is deflation, the average value of money is rising. 108) _____
- 109) When there is deflation, the average value of money is falling. 109) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 110) Economists call the final value of all products and services produced annually in a country, 110) _____
A) total product.
B) gross domestic product.
C) industrial value of product.
D) grand total product.
E) national production.
- 111) Gross domestic product measures the final value of all products and services produced 111) _____
A) per hour.
B) since January 1, 2010.
C) since January 1, 2000.
D) since the country began producing.
E) in a year.

- 112) A healthy economy has all of the following *except* 112) _____
A) full employment.
B) a mild inflation rate.
C) unpredictable changes in the price level.
D) low unemployment.
E) smooth, steady growth in GDP.
- 113) A healthy economy should have 113) _____
A) high GDP per person, high inflation and high unemployment.
B) low GDP per person, low inflation and low unemployment.
C) high GDP per person, low inflation and low unemployment..
D) low GDP per person, high inflation and low unemployment.
E) high GDP per person, high inflation and low unemployment.
- 114) When the price level rises by 5 percent, products that cost \$20 last year will now cost 114) _____
A) \$21. B) \$1. C) \$30. D) \$100. E) \$25.
- 115) When the price level rises by 10 percent, products that cost \$20 last year will now cost 115) _____
A) \$25. B) \$21. C) \$22. D) \$2. E) \$200.
- 116) If the inflation rate is 10 percent, products that used to cost \$50 cost _____ a year later. 116) _____
A) \$60 B) \$100 C) \$55 D) \$40 E) \$51
- 117) If the inflation rate is 10 percent, products that used to cost \$80 cost _____ a year later. 117) _____
A) \$800 B) \$70 C) \$90 D) \$81 E) \$88
- 118) Higher GDP per person means 118) _____
A) lower prices.
B) a growing population.
C) higher unemployment rates.
D) a shrinking population.
E) higher living standards.
- 119) Lower GDP per person means 119) _____
A) a growing population.
B) higher prices.
C) lower living standards.
D) a shrinking population.
E) lower unemployment rates.
- 120) A person is counted as unemployed if she is 120) _____
A) too young to work.
B) not employed and is actively seeking work.
C) retired.
D) a full time student.
E) at home because she has given up looking for a job.

- 121) If a very small region has 20 people unemployed and 80 people employed, the unemployment rate is 121) _____
- A) 20 percent.
 - B) 25 percent.
 - C) 33 percent.
 - D) 60 percent.
 - E) 40 percent.
- 122) Inflation is a rise in the 122) _____
- A) value of savings.
 - B) number of people looking for work.
 - C) value of money.
 - D) number of people employed.
 - E) average price level.
- 123) Inflation is a fall in the 123) _____
- A) average price level.
 - B) final value of all products and services produced.
 - C) number of people employed.
 - D) number of people looking for work.
 - E) value of money.
- 124) When the price level falls by 20 percent, products that used to cost \$600 will now cost 124) _____
- A) \$480.
 - B) \$500.
 - C) \$120.
 - D) \$300.
 - E) \$580.
- 125) It is desirable to have higher GDP per person and 125) _____
- A) cyclical ups and downs in GDP.
 - B) unpredictable changes in prices.
 - C) a falling value of money.
 - D) a rising price level.
 - E) steady growth in GDP.
- 126) The performance of the Canadian economy is measured by the key outcome(s) of 126) _____
- A) unemployment.
 - B) inflation.
 - C) GDP.
 - D) All of the above
- 127) Which of the following individuals would count as unemployed? 127) _____
- A) a full-time student
 - B) an ex-student who has graduated but is not looking for work
 - C) an ex-student who has graduated and is working
 - D) an ex-student who has graduated and is looking for work
- 128) Inflation is a rise in the 128) _____
- A) average price level in the economy.
 - B) standard of living in the economy.
 - C) quantity of products/services in the economy.
 - D) value of money.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 129) Consumers can choose to spend or save their income. 129) _____

- 130) A macroeconomic choice for consumers is whether to spend or save. 130) _____
- 131) A macroeconomic choice for consumers is whether to buy products/services produced in Canada or imported from other countries. 131) _____
- 132) A macroeconomic choice for consumers is whether to buy an iPhone or a Blackberry. 132) _____
- 133) The banking system includes the Bank of Canada and chartered banks but does *not* include trust companies. 133) _____
- 134) *Rest of the world* players can invest in Canadian businesses. 134) _____
- 135) Monetary policy involves changes in interest rates and the supply of money. 135) _____
- 136) A macroeconomic choice for banks is whether to make loans or not. 136) _____
- 137) When a consumer household buys shares in a Canadian business, this counts as *investment spending*. 137) _____
- 138) Government fiscal policy involves changes in transfer payments. 138) _____
- 139) Government fiscal policy involves changes in taxes. 139) _____
- 140) Government fiscal policy involves changes in interest rates. 140) _____
- 141) Government fiscal policy involves changes in the money supply. 141) _____
- 142) Government conducts fiscal policy by changing interest rates. 142) _____
- 143) The Bank of Canada is responsible for setting tax rates. 143) _____
- 144) The Bank of Canada conducts monetary policy. 144) _____
- 145) Government transfers are negative taxes. 145) _____
- 146) Business investment spending includes purchasing stocks and bonds. 146) _____
- 147) A macroeconomic choice for businesses is whether to produce more pants or more boxer shorts. 147) _____
- 148) A macroeconomic choice for businesses is whether or not to build new factories. 148) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 149) The group of macroeconomic players that makes the most choices about investment spending is 149) _____
A) the rest of the world.
B) government.
C) consumers.
D) businesses.
E) the Bank of Canada and banking system.
- 150) The group of macroeconomic players that makes the most choices about setting interest rates is 150) _____
A) consumers.
B) government.
C) the Bank of Canada and banking system.
D) the rest of the world.
E) businesses.
- 151) The group of macroeconomic players that chooses fiscal policy is 151) _____
A) the Bank of Canada and banking system.
B) government.
C) businesses.
D) the rest of the world.
E) consumers.
- 152) The largest group of macroeconomic players that chooses whether or not to save is 152) _____
A) consumers.
B) Bank of Canada and banking system.
C) government.
D) rest of the world.
E) businesses.
- 153) The group of macroeconomic players that chooses monetary policy is 153) _____
A) the rest of the world.
B) consumers.
C) the Bank of Canada.
D) government.
E) businesses.
- 154) The largest group of macroeconomic players that chooses whether or not to hire Canadian workers is 154) _____
A) the rest of the world.
B) consumers.
C) government.
D) businesses.
E) the Bank of Canada and banking system.

- 155) The largest group of macroeconomic players that chooses whether or not to spend on imported products/services is 155) _____
- A) the rest of world.
 - B) businesses.
 - C) consumers.
 - D) the Bank of Canada and banking system.
 - E) government.
- 156) Fiscal policy is chosen by 156) _____
- A) businesses.
 - B) government.
 - C) the Bank of Canada and banking system.
 - D) the rest of the world.
 - E) consumers.
- 157) Monetary policy is chosen by 157) _____
- A) consumers.
 - B) the rest of the world.
 - C) government.
 - D) businesses.
 - E) the Bank of Canada.
- 158) The group of macroeconomic players that makes the most choices about spending on Canadian exports is 158) _____
- A) the Bank of Canada and banking system.
 - B) businesses.
 - C) the rest of the world.
 - D) government.
 - E) consumers.
- 159) Fiscal policy includes government changes in 159) _____
- A) interest rates.
 - B) exports.
 - C) the supply of money.
 - D) imports.
 - E) transfer payments.
- 160) Fiscal policy includes government changes in 160) _____
- A) the supply of money.
 - B) interest rates.
 - C) taxes.
 - D) exports.
 - E) imports.
- 161) Fiscal policy includes government changes in 161) _____
- A) interest rates.
 - B) government purchases.
 - C) the supply of money.
 - D) exports.
 - E) imports.

- 162) Monetary policy includes changes in _____
A) exports.
B) interest rates.
C) taxes.
D) government purchases.
E) imports.
- 163) Monetary policy includes changes in _____
A) government purchases.
B) exports.
C) transfer payments.
D) the supply of money.
E) imports.
- 164) Purchases of new factories and equipment by businesses are called _____
A) labour costs. B) investment spending.
C) stock investments. D) exports.
- 165) Transfer payments by governments to consumers include _____
A) Canadian Child Tax Benefit payments to low-income families.
B) Employment Insurance for the unemployed.
C) Old Age Security payments to seniors.
D) All of the above
- 166) Monetary policy is the responsibility of the _____
A) Bank of Canada. B) Bank of Montreal.
C) Government of Canada. D) Bank of Nova Scotia.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 167) Higher GDP per person allows higher living standards. _____
- 168) If your income rises faster than the prices of what you buy, your standard of living falls. _____
- 169) If your income rises faster than the prices of what you buy, your standard of living rises. _____
- 170) If your income does not rise as fast as the prices of what you buy, your standard of living falls. _____
- 171) If your income does not rise as fast as the prices of what you buy, your standard of living rises. _____
- 172) When the unemployment rate is high, employers have an advantage in bargaining over wages. _____
- 173) When the unemployment rate is high, workers have an advantage in bargaining over wages. _____
- 174) When the unemployment rate is low, workers have an advantage in bargaining over wages. _____
- 175) When the unemployment rate is low, employers have an advantage in bargaining over wages. _____
- 176) Unemployment tends to be inversely related to growth in GDP. _____

- 177) Unemployment tends to be positively related to growth in GDP. 177) _____
- 178) When the total value of products/services produced is growing, unemployment falls. 178) _____
- 179) When the total value of products/services produced is growing, unemployment rises. 179) _____
- 180) "Choose only when additional benefits are greater than additional opportunity costs" is a microeconomic key to smart choices. 180) _____
- 181) "Choose only when additional benefits are greater than additional opportunity costs" is macroeconomic MAPS1. 181) _____
- 182) One of the macroeconomic MAPS focuses on the relationship between additional benefits and additional opportunity costs. 182) _____
- 183) One of the macroeconomic MAPS focuses on the connections between Canada and the rest of the world. 183) _____
- 184) One of the macroeconomic MAPS focuses on the connections between input markets and output markets for both demand and supply sides. 184) _____
- 185) One of the macroeconomic MAPS focuses on the connections between banks and the input and output markets of the circular flow. 185) _____
- 186) One of the MAPS focuses on the connections between banks and the input and output markets of the circular flow. 186) _____
- 187) MAPS focus on the background information you can safely ignore in learning how to think like a macroeconomist. 187) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 188) A higher GDP per person usually indicates 188) _____
A) a shrinking population.
B) a higher living standard.
C) a lower living standard.
D) a growing population.
E) none of the above answers.
- 189) When unemployment is low, 189) _____
A) employers can choose from a large pool of applicants for a job.
B) workers have an advantage in bargaining over wages.
C) employers have an advantage in bargaining over wages.
D) jobs are hard to find.
E) workers compete against many other unemployed workers.

- 190) When unemployment is high, 190) _____
A) employers have an advantage in bargaining over wages.
B) workers have an advantage in bargaining over wages.
C) jobs are easy to find.
D) employers compete against many other employers for new workers.
E) workers can choose from a large pool of available jobs.
- 191) When unemployment is high, 191) _____
A) workers compete against many other unemployed workers.
B) workers can choose from a large pool of available jobs.
C) workers have an advantage in bargaining over wages.
D) employers compete against many other employers for new workers.
E) jobs are easy to find.
- 192) When unemployment is low, 192) _____
A) employers can choose from a large pool of applicants for a job.
B) jobs are hard to find.
C) employers compete against many other employers for new workers.
D) employers have an advantage in bargaining over wages.
E) workers compete against many other unemployed workers.
- 193) When there is inflation, 193) _____
A) average prices fall.
B) the value of money rises.
C) the purchasing power of your savings rises.
D) the purchasing power of your savings falls.
E) your standard of living falls if your income rises faster than the prices of what you buy.
- 194) When there is inflation, 194) _____
A) the value of money falls.
B) your standard of living rises if the prices of what you buy rise faster than your income.
C) your standard of living falls if your income rises faster than the prices of what you buy.
D) average prices fall.
E) the purchasing power of your savings rises.
- 195) When there is inflation, 195) _____
A) the purchasing power of your savings rises.
B) your standard of living falls if your income rises faster than the prices of what you buy.
C) average prices fall.
D) the value of money rises.
E) your standard of living rises if your income rises faster than the prices of what you buy.
- 196) Which of the following is *not* a macroeconomic MAPS? Focus on the connections between 196) _____
A) Canada and the rest of the world.
B) expectations and the input and output markets of the circular flow.
C) input markets and output markets for both demand and supply sides.
D) additional benefits and additional opportunity costs.
E) money and the input and output markets of the circular flow.

- 197) Which of the following is *not* a macroeconomic MAPS? Focus on the connections between 197) _____
- A) money and the input and output markets of the circular flow.
 - B) input markets and output markets for both demand and supply sides.
 - C) Canada and the rest of the world.
 - D) government and the input and output markets of the circular flow.
 - E) banks and the input and output markets of the circular flow.
- 198) The amount of unemployment in the economy matters to your personal economic success because it affects your ability to 198) _____
- A) bargain for higher wages.
 - B) bargain for better working conditions.
 - C) find a job.
 - D) All of the above
- 199) When unemployment increases, 199) _____
- A) GDP increases.
 - B) the chance of finding a job decreases.
 - C) the economy is growing.
 - D) All of the above
- 200) Which of the following is *not* part of the MAcroeconomics Positioning System (MAPS)? 200) _____
- A) connections between Canada and the rest of the world
 - B) connection between households and consumers
 - C) connection between input and output markets
 - D) connection between money/banks/expectations and input and output markets

Answer Key

Testname: UNTITLED1

- 1) FALSE
Skill: Applied
- 2) TRUE
Skill: Applied
- 3) FALSE
Skill: Applied
- 4) TRUE
Skill: Applied
- 5) FALSE
Skill: Recall
- 6) TRUE
Skill: Recall
- 7) FALSE
Skill: Recall
- 8) TRUE
Skill: Recall
- 9) FALSE
Skill: Recall
- 10) TRUE
Skill: Recall
- 11) FALSE
Skill: Recall
- 12) TRUE
Skill: Recall
- 13) FALSE
Skill: Recall
- 14) FALSE
Skill: Recall
- 15) FALSE
Skill: Recall
- 16) TRUE
Skill: Recall
- 17) FALSE
Skill: Applied
- 18) TRUE
Skill: Applied
- 19) FALSE
Skill: Applied
- 20) TRUE
Skill: Applied
- 21) FALSE
Skill: Recall
- 22) FALSE
Skill: Recall
- 23) TRUE
Skill: Recall

Answer Key

Testname: UNTITLED1

24) FALSE

Skill: Recall

25) TRUE

Skill: Recall

26) FALSE

Skill: Recall

27) TRUE

Skill: Recall

28) FALSE

Skill: Applied

29) TRUE

Skill: Applied

30) FALSE

Skill: Applied

31) B

Skill: Applied

32) B

Skill: Applied

33) E

Skill: Applied

34) C

Skill: Recall

35) D

Skill: Applied

36) E

Skill: Applied

37) A

Skill: Applied

38) C

Skill: Recall

39) C

Skill: Recall

40) E

Skill: Recall

41) C

Skill: Applied

42) C

Skill: Recall

43) C

Skill: Recall

44) A

Skill: Recall

45) A

Skill: Recall

46) D

Skill: Recall

Answer Key

Testname: UNTITLED1

- 47) D
Skill: Applied
- 48) A
Skill: Recall
- 49) A
Skill: Recall
- 50) FALSE
Skill: Applied
- 51) FALSE
Skill: Recall
- 52) FALSE
Skill: Recall
- 53) TRUE
Skill: Recall
- 54) TRUE
Skill: Applied
- 55) TRUE
Skill: Applied
- 56) TRUE
Skill: Applied
- 57) FALSE
Skill: Applied
- 58) TRUE
Skill: Applied
- 59) FALSE
Skill: Applied
- 60) FALSE
Skill: Applied
- 61) TRUE
Skill: Applied
- 62) TRUE
Skill: Recall
- 63) FALSE
Skill: Recall
- 64) TRUE
Skill: Recall
- 65) FALSE
Skill: Recall
- 66) TRUE
Skill: Applied
- 67) TRUE
Skill: Applied
- 68) FALSE
Skill: Applied
- 69) TRUE
Skill: Applied

Answer Key

Testname: UNTITLED1

- 70) TRUE
Skill: Applied
- 71) A
Skill: Applied
- 72) E
Skill: Applied
- 73) E
Skill: Applied
- 74) A
Skill: Applied
- 75) D
Skill: Recall
- 76) E
Skill: Applied
- 77) C
Skill: Applied
- 78) B
Skill: Applied
- 79) E
Skill: Applied
- 80) A
Skill: Applied
- 81) E
Skill: Applied
- 82) C
Skill: Applied
- 83) C
Skill: Recall
- 84) A
Skill: Recall
- 85) E
Skill: Recall
- 86) D
Skill: Applied
- 87) C
Skill: Recall
- 88) D
Skill: Recall
- 89) D
Skill: Applied
- 90) TRUE
Skill: Applied
- 91) FALSE
Skill: Recall
- 92) TRUE
Skill: Recall

Answer Key

Testname: UNTITLED1

- 93) TRUE
Skill: Applied
- 94) FALSE
Skill: Applied
- 95) FALSE
Skill: Applied
- 96) TRUE
Skill: Applied
- 97) FALSE
Skill: Recall
- 98) TRUE
Skill: Recall
- 99) FALSE
Skill: Recall
- 100) TRUE
Skill: Recall
- 101) TRUE
Skill: Applied
- 102) FALSE
Skill: Applied
- 103) FALSE
Skill: Recall
- 104) FALSE
Skill: Recall
- 105) TRUE
Skill: Recall
- 106) TRUE
Skill: Recall
- 107) FALSE
Skill: Recall
- 108) TRUE
Skill: Applied
- 109) FALSE
Skill: Applied
- 110) B
Skill: Recall
- 111) E
Skill: Recall
- 112) C
Skill: Applied
- 113) C
Skill: Applied
- 114) A
Skill: Applied
- 115) C
Skill: Applied

Answer Key

Testname: UNTITLED1

116) C

Skill: Applied

117) E

Skill: Applied

118) E

Skill: Applied

119) C

Skill: Applied

120) B

Skill: Recall

121) A

Skill: Applied

122) E

Skill: Recall

123) E

Skill: Recall

124) A

Skill: Applied

125) E

Skill: Recall

126) D

Skill: Recall

127) D

Skill: Applied

128) A

Skill: Applied

129) TRUE

Skill: Applied

130) TRUE

Skill: Applied

131) TRUE

Skill: Applied

132) FALSE

Skill: Applied

133) FALSE

Skill: Recall

134) TRUE

Skill: Recall

135) TRUE

Skill: Applied

136) TRUE

Skill: Applied

137) FALSE

Skill: Applied

138) TRUE

Skill: Recall

Answer Key

Testname: UNTITLED1

- 139) TRUE
Skill: Recall
- 140) FALSE
Skill: Recall
- 141) FALSE
Skill: Recall
- 142) FALSE
Skill: Recall
- 143) FALSE
Skill: Applied
- 144) TRUE
Skill: Applied
- 145) TRUE
Skill: Applied
- 146) FALSE
Skill: Recall
- 147) FALSE
Skill: Recall
- 148) TRUE
Skill: Recall
- 149) D
Skill: Applied
- 150) C
Skill: Recall
- 151) B
Skill: Applied
- 152) A
Skill: Applied
- 153) C
Skill: Applied
- 154) D
Skill: Applied
- 155) C
Skill: Applied
- 156) B
Skill: Applied
- 157) E
Skill: Applied
- 158) C
Skill: Recall
- 159) E
Skill: Recall
- 160) C
Skill: Recall
- 161) B
Skill: Recall

Answer Key

Testname: UNTITLED1

162) B

Skill: Recall

163) D

Skill: Recall

164) B

Skill: Recall

165) D

Skill: Applied

166) A

Skill: Recall

167) TRUE

Skill: Recall

168) FALSE

Skill: Applied

169) TRUE

Skill: Applied

170) TRUE

Skill: Applied

171) FALSE

Skill: Applied

172) TRUE

Skill: Applied

173) FALSE

Skill: Applied

174) TRUE

Skill: Applied

175) FALSE

Skill: Applied

176) TRUE

Skill: Applied

177) FALSE

Skill: Applied

178) TRUE

Skill: Applied

179) FALSE

Skill: Applied

180) TRUE

Skill: Recall

181) FALSE

Skill: Recall

182) FALSE

Skill: Recall

183) TRUE

Skill: Recall

184) TRUE

Skill: Recall

Answer Key

Testname: UNTITLED1

185) TRUE

Skill: Recall

186) TRUE

Skill: Recall

187) FALSE

Skill: Applied

188) B

Skill: Applied

189) B

Skill: Applied

190) A

Skill: Applied

191) A

Skill: Applied

192) C

Skill: Applied

193) D

Skill: Applied

194) A

Skill: Applied

195) E

Skill: Applied

196) D

Skill: Recall

197) D

Skill: Recall

198) D

Skill: Applied

199) B

Skill: Applied

200) B

Skill: Recall