2. Economic Indicators and the Business Cycle **Starter Quiz · 课前小测**

AP Macroeconomics Name: ____________________ Score: ______

1. GDP is the market value of all ________ goods and services produced in a country in a year.

   ☐ final

   ☐ intermediate

   ☐ used

   ☐ financial

2. If you cook your own dinner instead of paying a restaurant, GDP:

   ☐ does not rise (nonmarket production)

   ☐ rises by the same amount

   ☐ falls

   ☐ doubles

3. The labour force includes:

   ☐ the employed plus the unemployed who are looking

   ☐ everyone of working age

   ☐ only the employed

   ☐ retirees and students

4. Inflation is:

   ☐ a rise in the general price level

   ☐ a fall in the general price level

   ☐ a rise in one good's price only

   ☐ a fall in output

5. Which kind of inflation does the least harm, because people can plan for it?

   ☐ anticipated inflation

   ☐ unanticipated inflation

   ☐ hyperinflation

   ☐ surprise inflation

6. In the circular flow, total spending equals total income.

   ☐ True ☐ False

7. Hidden, unreported work that dodges taxes is part of the _________ economy.

____

8. A town has 95,000 employed and 5,000 unemployed. What is the unemployment rate, in percent?

_________________ percent

9. If nominal GDP doubles only because prices doubled, real GDP is unchanged.

☐ True ☐ False

10. With C = 700, I = 200, G = 300, exports X = 150, and imports M = 100, what is GDP?

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AP Macroeconomics

1. **final**

   Only final goods count, so we don't double-count the intermediate parts.

2. **does not rise (nonmarket production)**

   Unpaid household production has no market price, so GDP does not record it.

3. **the employed plus the unemployed who are looking**

   It leaves out people not seeking work — retirees, full-time students, stay-at-home parents.

4. **a rise in the general price level**

   Inflation is the average of all prices rising, not just one good.

5. **anticipated inflation**

   When inflation is expected, workers and lenders build it into wages and interest rates.

6. **True**

   Every dollar a household spends becomes a dollar of income for a firm's workers or owners.

7. **underground**

   Because it is deliberately hidden, GDP records less output than really happened.

8. **5 percent**

   Labour force = 100,000; rate = 5,000 ÷ 100,000 × 100 = 5%.

9. **True**

   No extra output was made, so real GDP — which strips out prices — stays the same.

10. **1250**

    GDP = C + I + G + (X − M) = 700 + 200 + 300 + (150 − 100) = 1250.