

Econ 2301 - Fall 2010 - HW06**Answer Section****MULTIPLE CHOICE**

1. ANS: A PTS: 1 DIF: 1 REF: 33-0
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand and supply model MSC: Interpretive
2. ANS: B PTS: 1 DIF: 1 REF: 33-1
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Business cycle MSC: Definitional
3. ANS: B PTS: 1 DIF: 1 REF: 33-1
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Real GDP MSC: Definitional
4. ANS: A PTS: 1 DIF: 1 REF: 33-2
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand and aggregate supply model MSC: Definitional
5. ANS: D PTS: 1 DIF: 1 REF: 33-2
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Price level MSC: Definitional
6. ANS: C PTS: 1 DIF: 1 REF: 33-2
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand and aggregate supply model MSC: Definitional
7. ANS: D PTS: 1 DIF: 2 REF: 33-2
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate-demand curve MSC: Interpretive
8. ANS: D PTS: 1 DIF: 2 REF: 33-3
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand MSC: Interpretive
9. ANS: D PTS: 1 DIF: 1 REF: 33-3
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand MSC: Definitional
10. ANS: D PTS: 1 DIF: 2 REF: 33-3
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Wealth effect MSC: Analytical
11. ANS: B PTS: 1 DIF: 2 REF: 33-3
 NAT: Analytic LOC: Monetary and fiscal policy
 TOP: Aggregate demand shifts | Fiscal policy MSC: Applicative
12. ANS: A PTS: 1 DIF: 2 REF: 33-3
 NAT: Analytic LOC: Monetary and fiscal policy
 TOP: Aggregate demand shifts | Monetary policy MSC: Analytical
13. ANS: A PTS: 1 DIF: 2 REF: 33-4
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Long-run aggregate supply shifts MSC: Interpretive
14. ANS: A PTS: 1 DIF: 2 REF: 33-5
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Short-run equilibrium MSC: Analytical

15. ANS: C PTS: 1 DIF: 2 REF: 33-5
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand and aggregate supply model MSC: Analytical
16. ANS: A PTS: 1 DIF: 3 REF: 33-5
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate demand shifts | Optimism MSC: Analytical
17. ANS: B PTS: 1 DIF: 1 REF: 33-5
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate supply shifts | Costs of production MSC: Applicative
18. ANS: C PTS: 1 DIF: 2 REF: 33-5
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Short-run equilibrium MSC: Applicative
19. ANS: D PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: The role of money TOP: Classical dichotomy
 MSC: Interpretive
20. ANS: D PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate-demand curve | Expected inflation MSC: Interpretive
21. ANS: A PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: Aggregate demand and aggregate supply
 TOP: Aggregate-demand curve | Money supply MSC: Interpretive
22. ANS: B PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Money market equilibrium
 MSC: Analytical
23. ANS: A PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: The role of money TOP: Money market
 MSC: Analytical
24. ANS: D PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Interest-rate effect
 MSC: Definitional
25. ANS: A PTS: 1 DIF: 2 REF: 34-1
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Interest-rate effect
 MSC: Analytical
26. ANS: B PTS: 1 DIF: 1 REF: 34-2
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Fiscal policy
 MSC: Definitional
27. ANS: B PTS: 1 DIF: 2 REF: 34-2
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Multiplier effect
 MSC: Interpretive
28. ANS: C PTS: 1 DIF: 1 REF: 34-2
 NAT: Analytic LOC: The role of money TOP: Theory of liquidity preference
 MSC: Interpretive
29. ANS: D PTS: 1 DIF: 1 REF: 34-2
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Multiplier
 MSC: Interpretive
30. ANS: A PTS: 1 DIF: 2 REF: 34-2
 NAT: Analytic LOC: Monetary and fiscal policy TOP: Fiscal policy
 MSC: Analytical

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| 31. | ANS: A
NAT: Analytic
MSC: Applicative | PTS: 1
LOC: Monetary and fiscal policy | DIF: 1 | REF: 34-2
TOP: Taxes |
| 32. | ANS: D
NAT: Analytic
MSC: Interpretive | PTS: 1
LOC: Monetary and fiscal policy | DIF: 1 | REF: 34-2
TOP: Fiscal policy Aggregate supply |
| 33. | ANS: D
NAT: Analytic
MSC: Analytical | PTS: 1
LOC: Monetary and fiscal policy | DIF: 3 | REF: 34-3
TOP: Fiscal policy |
| 34. | ANS: C
NAT: Analytic
MSC: Analytical | PTS: 1
LOC: Monetary and fiscal policy | DIF: 2 | REF: 34-3
TOP: Automatic stabilizers |
| 35. | ANS: B
NAT: Analytic
MSC: Interpretive | PTS: 1
LOC: Monetary and fiscal policy | DIF: 2 | REF: 34-3
TOP: Monetary policy, fiscal policy |
| 36. | ANS: C
NAT: Analytic
MSC: Definitional | PTS: 1
LOC: Unemployment and inflation | DIF: 1 | REF: 35-1
TOP: Phillips curve |
| 37. | ANS: A
NAT: Analytic
MSC: Analytical | PTS: 1
LOC: Unemployment and inflation | DIF: 1 | REF: 35-1
TOP: Contractionary policy |
| 38. | ANS: B
NAT: Analytic
MSC: Interpretive | PTS: 1
LOC: Unemployment and inflation | DIF: 1 | REF: 35-1
TOP: Short-run Phillips curve |
| 39. | ANS: A
NAT: Analytic
MSC: Definitional | PTS: 1
LOC: Unemployment and inflation | DIF: 2 | REF: 35-2
TOP: Aggregate demand Phillips curve |
| 40. | ANS: C
NAT: Analytic
MSC: Applicative | PTS: 1
LOC: Unemployment and inflation | DIF: 2 | REF: 35-2
TOP: Long-run Phillips curve |
| 41. | ANS: B
NAT: Analytic
TOP: Long-run Phillips curve Expansionary policy | PTS: 1
LOC: Unemployment and inflation | DIF: 2 | REF: 35-2
MSC: Analytical |