Macroeconomic theory 1st quiz   September 11th (in class)

Name:

1. Exogenous variables are:
A) fixed at the moment they enter the model.
B) determined within the model.
C) the outputs of the model.
D) explained by the model

2. In an economic model:
A) exogenous variables and endogenous variables are both fixed when they enter the model.
B) endogenous variables and exogenous variables are both determined within the model.
C) endogenous variables affect exogenous variables.
D) exogenous variables affect endogenous variables

3. Important characteristics of macroeconomic models include
all of the following except:
A) simplifying assumptions.
B) functional relationships based on controlled experiments.
C) endogenous and exogenous variables.
D) implicit or explicit consistency with microeconomic foundations

4. Which of the following is a stock variable?
A) wealth
B) consumption
C) investment
D) income

5. GNP equals GDP _____ income earned domestically by foreigners _____ income that nationals earn abroad.
A) plus; plus
B) minus; minus
C) minus; plus
D) plus; minus

6. All of the following actions are investments in the sense of the term used by macroeconomists except
:
A) IBM's building a new factory.
B) corner candy store's buying a new computer.
C) John Smith's buying a newly constructed home.
D) Sandra Santiago's buying 100 shares of IBM stock

7. The largest component of national income is:
A) corporate profits.
B) compensation of employees.
C) proprietors' income.
D) net interest

8. When bread is baked but put away for later sale, this is called:
A) waste.
B) saving.
C) fixed investment.
D) investment in inventory

9. 11.If GDP (measured in billions of current dollars) is $5,465, consumption is $3,657, investment is $741, and government purchases are $1,098, then net exports are:

10. What is the one of the most important issues in macroeconomics? In other words, what are the macroeconomic policy goals?