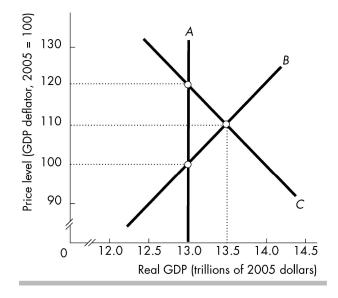
## ECN2102\_241028-1\_Training (Chapter 10)

| 1) The supply of real GDP is a function of                               |                                 | 1)   |
|--|---------------------------------|------|
| A) the quantities of labor, capital and the state of technology.         |                                 | -) _ |
| B) the total expenditures of consu                                       | 01                              |      |
| C) the sum of wages, salaries, corp                                      | 0                               |      |
| D) only the state of technology.   | 1 /                             |      |
| 2) The long-run aggregate supply (LAS                                    | ) curve                         | 2) _ |
| A) has a positive slope.   | B) is vertical.                 |      |
| C) has a negative slope.   | D) is horizontal.               |      |
| 3) The aggregate demand curve shows                                      |                                 | 3) _ |
| A) that real income is directly (positively) related to the price level. |                                 |      |
| B) the quantity of real GDP demar  | nded at different price levels. |      |
| C) total expenditures at different l                                     | evels of national income.       |      |
| D) All of the above answers are co                                       | rrect.                          |      |
| <ol> <li>The aggregate demand curve</li> </ol>                           |                                 | 4) _ |
| A) is horizontal.  | B) is vertical.                 |      |
| C) has a negative slope.   | D) has a positive slope.        |      |



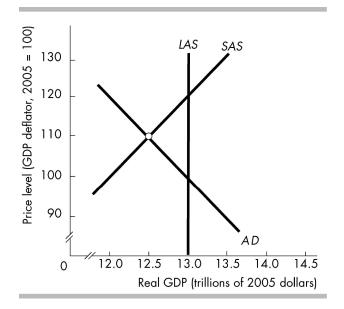
5) In the above figure, curve *A* is the \_\_\_\_\_ curve, curve *B* is the \_\_\_\_\_ curve, and curve *C* is the \_\_\_\_\_ curve.

A) aggregate demand; short-run aggregate supply; long-run aggregate supply

B) long-run aggregate supply; short-run aggregate supply; aggregate demand

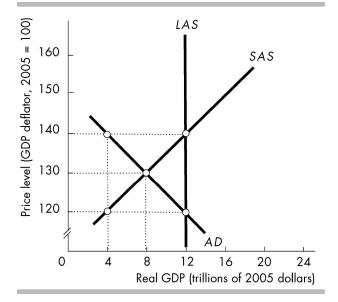
C) short-run aggregate supply; long-run aggregate supply; aggregate demand

D) long-run aggregate supply; aggregate demand; short-run aggregate supply



## 6) In the figure above, in the short-run macroeconomic equilibrium,

- A) real GDP equals potential GDP.
- C) there is no structural unemployment.



7) In the above figure, at the price level of 140 and real GDP of

- A) \$4 trillion, consumers will not be able to buy all the goods and services they demand.
- B) \$4 trillion, firms will not be able to sell all their output.
- C) \$12 trillion, firms will not be able to sell all their output.

D) \$12 trillion, consumers will not be able to buy all the goods and services they demand.

## 8) Based on the figure above, short-run equilibrium occurs at the price level of

- A) 130 and real GDP of \$12 trillion.
- B) 140 and real GDP of \$12 trillion.

B) real GDP is greater than potential GDP. D) real GDP is less than potential GDP.

- C) 130 and real GDP of \$8 trillion.
- D) 120 and real GDP of \$4 trillion.

6)

7)

## 8)

| 9) The data in the above figure indicate that the economy will be in a long-run macroeconomic equilibrium at a price level of |                            |   |         | 9)  |
|---|----------------------------|---|---------|-----|
| A) 100.   | B) 140.                    | C) 130.   | D) 120. |     |
|   | ne quantity of capital     | the following events can<br>B) a decrease in<br>D) an increase ir |         | 10) |
| 11) If aggregate demand decreases and neither short-run nor long-run aggregate supply changes, then                           |                            |   | 11)     |     |
| B) there is an infla<br>C) there is a reces   | sionary gap.               | supply will decrease.<br>n and decreases in the lon               | g-run.  |     |
| 12) If the economy is in long run equilibrium and then aggregate demand increases, in the long run the                        |                            |   | 12)     |     |
| increase in aggregate demand means that the A) real GDP will be larger but the price level will be unaffected.                |                            |   |         |     |
| ,   | will be higher and real G  |   |         |     |
| · •   | be higher but real GDP v   | e   |         |     |
| · •   | ce level nor real GDP will |   |         |     |
| 13) In the long-run equi  | librium, an increase in th | e quantity of capital leads                                       | s to    | 13) |

A) a decrease in the equilibrium price level, but no change in equilibrium real GDP.

B) an increase in the equilibrium price level and an increase in equilibrium real GDP.

C) no change in the equilibrium price level, but an increase in equilibrium real GDP.

D) a decrease in the equilibrium price level and an increase in equilibrium real GDP.

| Price<br>level | Aggregate<br>demand<br>(trillions of<br>2005 dollars) | Short-run<br>aggregate<br>supply<br>(trillions of<br>2005 dollars) | Long-run<br>aggregate<br>supply<br>(trillions of<br>2005 dollars) |
|----------------|---|--|---|
| 140            | 4   | 8  | 7   |
| 130            | 5   | 7  | 7   |
| 120            | 6   | 6  | 7   |
| 110            | 7   | 5  | 7   |
| 100            | 8   | 4  | 7   |

A) short-run aggregate supply curve will shift leftward.

B) long-run aggregate supply curve will shift leftward.

C) long-run aggregate supply curve will shift rightward.

D) short-run aggregate supply curve will shift rightward.

| 15) In the short run, a rightward shift of the short-run aggregate supply curve | real GDP and | 15) |
|---|--------------|-----|
| the price level.  |              |     |

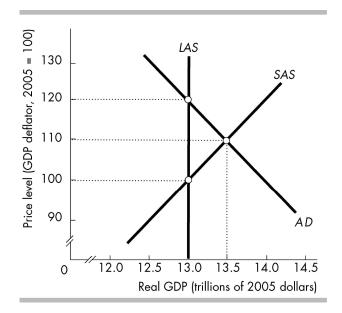
A) increases; raises

C) decreases; lowers

B) decreases; raises

D) increases; lowers

Write your answer in the space provided or on a separate sheet of paper.



16) In the above figure, what is the short-run equilibrium real GDP and the short-run equilibrium price level?