

Econ 101 Class 19 Questions

1. In 2007, Real GDP in Simple Land is ...

Year	Bread		Wine		Daycare		Nominal GDP	Real GDP
	Loaves	Price	Jugs	Price	Hours	Price		
2005	100	\$2.00	50	\$10	250	\$3.00		
2006	125	\$2.10	40	\$12	250	\$3.25		
2007	115	\$2.40	60	\$8	250	\$3.40		

- A. \$1450
 B. \$1490
 C. \$1580 **
 D. \$1606
2. Which of the following is a correct statement about an expenditure component of GDP? Since 1947, _____.
- A. The share of GDP used up by the government sector has risen steadily.
 B. Consumption has risen from 60 to 70 percent of GDP. **
 C. Capital building has accounted for about one quarter of GDP.
 D. US exports have consistently exceeded US imports.
3. Which of the following transactions results in a change in GDP?
- A. The purchase of a 1990 Ford Bronco.
 B. The purchase of a share of IBM stock.
 C. The purchase of steel by General Motors.
 D. The payment of \$25 for dry cleaning. **
 E. The payment of \$25 to your neighbor's kid for mowing your lawn.