

Macroeconomics

Review Questions Exam IV

1. What are the types of variation in economic activity?
2. What are major phases of business cycles?
3. What are the causes of business cycles?
4. What are the problems associated with business cycles?
5. What policies can be used to alleviate business cycle problems?

6. What is an index?
7. What are the different types of indexes and how are they constructed?
8. Calculate a simple index.
9. What are some of the problems in using indexes?
10. How are indexes used?

11. What is inflation?
12. What are the major causes of inflation?
13. How is inflation measured? Problems in measuring inflation? Calculate inflation from index data.
14. What are the problems caused by inflation?
15. What policies can be used to contain inflation?

16. What are the various definitions of employment and unemployment?
17. What are the major causes of unemployment?
18. Calculate various employment and unemployment measures from data.
19. What are the costs of unemployment?
20. What are policies that can be used to alleviate unemployment?

21. From data provided, calculate the Average Product of Labor (APL) and Marginal Product of Labor (MPL).
22. From data provided, calculate the equilibrium wage and labor employed.
23. What are the major assumptions of the labor market?
24. What determines labor demand?
25. What determines labor supply?

26. What are the effects of expansionary fiscal policy?
27. What are the effects of expansionary monetary policy?
28. What are the effects of contractionary fiscal policy?
29. What are the effects of contractionary monetary policy?
30. What is an example of true supply side policy?