

Study Questions for Chapter 7 - Part II

These questions are to facilitate your discussion group and learning activities. Answers are listed at the end of the file. Your discussion group is limited to searching and using search engines later to answer these questions in order to answer your discussion group and/or writing answers to answer these questions.

1. A country's gross domestic product (GDP)
 - a) is the dollar value of the total output produced within its borders of the nation.
 - b) is the dollar value of the total output produced by its citizens, regardless of where they are living.
 - c) can be found by summing $C + I_g + G + X_n - M_n$.
 - d) is the sum of the values of all final goods and services produced within a nation in a particular year.
2. A country's gross domestic product (GDP)
 - a) can be found by summing $C + I_g + G + X_n - M_n$.
 - b) is the dollar value of the total output produced by its citizens, regardless of where they are living.
 - c) can be found by summing $C + I + G + X_n - M_n$.
 - d) is the sum of the values of all final goods and services produced within a nation in a particular year.
3. The GDP index
 - a) measures the value of all final goods and services produced within a nation in a particular year.
 - b) tracks the changes in all activities through dollar values.
 - c) measures the value of all economic transactions used in producing a country's output.
 - d) tracks the value of all goods and services that are produced, purchased, or sold in a particular year.
4. Suppose that you're GDP is down
 - a) the country will continue the demand has increased by 100%.
 - b) the country will continue the the GDP has increased, the no output declines the output.
 - c) the country will continue the the demand GDP has increased, the amount of inflation-adjusted has increased or decreased.
 - d) the country will continue to determine whether GDP has changed.
5. Suppose the total dollar value of all final goods and services produced in a particular country in 2000 is \$100 billion and the total dollar value of final goods and services sold in 2001 is \$105 billion. We can conclude that
 - a) GDP in 2000 is \$100 billion.
 - b) GDP in 2000 is \$105 billion.
 - c) GDP in 2000 is \$100 billion.
 - d) GDP in 2000 is \$105 billion.
6. National Income Accounting can avoid multiple counting by
 - a) including imports in final calculations.
 - b) counting both intermediate and final goods.
 - c) only counting final goods.
 - d) only counting intermediate goods.
7. Gross Domestic Product (GDP) measures real output output
 - a) in dollar values.
 - b) in percentage terms.
 - c) in dollar values.