

20101: Econ202 Principles of Macroeconomics
Section 02

Quiz 2 Answers

1. Gross domestic product measures:
- A. the value of all output in the economy.
 - B. the total income of everyone in the economy.
 - C. the total spending of everyone in the economy.
 - D. all of the above

Answer: D

2. Which of the following is a good or service counted in GDP?
- a. a new tire you buy for your personal car
 - b. a used tire you buy for your personal car
 - c. used tires bought by a used car dealer to put on a car on his lot
 - d. tires Ford buys to put on a car

Answer: A

3. Refer to the information provided in Table 6.1 below to answer the question that follow.

Table 6.1	
	\$Billions
Durable goods	800
Nonresidential investment	400
Federal purchases of goods	300
Exports	400
State and local purchases of goods	200
Residential investment	50
Services	500
Imports	250
Change in business inventories	-25
Nondurable goods	700

Refer to Table 6.1. The value for gross private domestic investment in billions of dollars

- a. 375.
- b. 425.
- c. 300.
- d. 450

Answer: B