

PPC and Growth Warm-up Questions: AP Econ Fall 2014

1. An unanticipated decrease in aggregate demand when the economy is in equilibrium will result in

- (A) a decrease in voluntary unemployment
- (B) a decrease in the natural rate of unemployment
- (C) a decrease in aggregate supply
- (D) an increase in unplanned inventories
- (E) an increase in the rate of inflation

2. An increase in which of the following will lead to lower inflation and lower unemployment?

- (A) Exports
- (B) Aggregate demand
- (C) Labor productivity
- (D) Government spending
- (E) The international value of domestic currency

3. The long-run growth rate of an economy will be increased by an increase in all of the following EXCEPT

- (A) capital stock
- (B) labor supply
- (C) real interest rate
- (D) rate of technological change
- (E) spending on education and training

4. Changes in which of the following factors would affect the growth of an economy?

I. Quantity and quality of human and natural resources

II. Amount of capital goods available

III. Technology

- (A) I only
- (B) I and II only
- (C) I and III only
- (D) II and III only
- (E) I, II, and III