

Exam MOEA Summer 2019
Development of the Global Economy

Name _____

I. Choose ONE answer only: (3 points each)

Student Number _____

____#1. The essential aspect of all human capital is that

- a. it cannot be created or destroyed
- b. it is valuable, but not productive
- c. it is publicly owned by the government
- d. it cannot be sold to others

____#3. Which of the following would most likely NOT increase productivity

- a. automation and better technology
- b. a rise in interest rates
- c. a balanced increase in exports and imports
- d. an increase in the amount of physical capital in the economy

____#5. Which of the following is NOT something that is useful to forecast a possible recession in the US?

- a. inversion of the yield curve
- b. a fall in new residential housing starts
- c. rise in the youth unemployment rates
- d. a fall in consumer durable spending

____#7. Which is the best indication of expansion in the manufacturing sector

- a. a purchasing manager's index for manufacturing above 50
- b. employment in manufacturing exceeding the labor force
- c. consumer confidence growing faster than real GDP
- d. the construction of new homes faster than commercial property

____#9. A stationary population requires a TFR of _____.

- a. 1.4
- b. 1.85
- c. 2.1
- d. 2.45

___#11. If interest rates fall, then we would expect

- a. investment would decrease
- b. consumption would decrease
- c. housing prices would increase
- d. saving would rise

___#13. A basic contradiction of the Euro Area economy is

- a. too much austerity and not enough stimulus
- b. one monetary policy and many fiscal policies
- c. extremely high interest rates and low inflation rates
- d. the inability to reduce unemployment rates

___#15. The natural rate of growth of the Euro Area real GDP as a whole is about 1%. This means that it will take about _____ years to double the size of the economy.

- a. 26
- b. 43
- c. 69
- d. 124

___#17. Germany's August 2019 manufacturing PMI has shown contraction of its manufacturing sector for about _____ consecutive months

- a. 10
- b. 8
- c. 5
- d. 3

___#19. Long term unemployment typically measure the rate of people who are unemployed for _____ weeks or more.

- a. 10
- b. 26
- c. 52
- d. 72

___#21. Which type of growth compares output now with output a year ago?

- a. YoY
- b. Annualized QoQ
- c. absolute
- d. exponential

___#23. The only way to have a sustained increase in output per person in the economy is by more

- a. imports
- b. exports
- c. government spending
- d. productivity

___#25. The current growth rate of Japan's real GDP from 2018:Q2 to 2019:Q2 is

- a. 0.25% b. 0.5% c. 1% d. 2.5%

___#27. China is trying to rebalance its economy away from investment and exports towards more

- a. imports and money supply b. productivity and growth
c. consumption and government spending d. housing and construction

___#29. Negative interest rates are impossible since nobody will pay to lend money.

- a. true b. false

Answer both questions below on your test sheet: (20 points each)

#1. Why do we need saving to increase productivity?

#2.