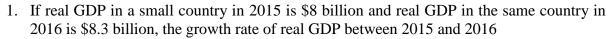
## ECO202-04 Weekly Class Activity Concept Check January 25, 2018

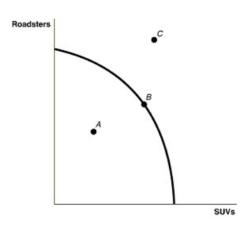
## Name:



- A. is 3.6%.
- B. is 3.0%.
- C. is 3.75%.
- D. cannot be determined from the information given.
- 2. What is investment in a closed economy if you have the following economic data?
  - Y = \$10 trillion
  - C = \$5 trillion
  - G = \$2 trillion
  - A. \$3 trillion
  - B. \$5 trillion
  - C. \$2 trillion
  - D. cannot be determined without information on taxes (T)
- 3. The branch of economics which studies the behavior of entire economies and policies that affect the economy as a whole is called
  - A. macroeconomics.
  - B. normative economics.
  - C. microeconomics.
  - D. public economics.
- 4. If the CPI rises from 125 to 130 between two consecutive years, by how much has the cost of living changed between these two years? (Hint: the inflation rate determines the change in cost of living)

5.	What is the difference between a closed economy and an open economy? Give an
	example for each.

- 6. Consider an economy with only two goods Roadsters and SUVs. The diagram below illustrates the production possibility frontier (PPF) for such an economy. \_\_\_\_\_\_\_ is (are) unattainable with current resources.
  - A. Points A and C
  - B. Point B
  - C. Point C
  - D. Point A



7. The table below shows the number of labor hours required to produce a cell phone and a board foot of lumber in Estonia and Finland.

	One Cell Phone	Lumber (per board foot)
Estonia	40 hours	8 hours
Finland	16 hours	4 hours

Estonia has an absolute advantage in the production of \_\_\_\_\_ and a comparative advantage in the production of \_\_\_\_\_.

- A. one cell phone; lumber
- B. both products; both products
- C. both products; lumber
- D. both products; one cell phone