

Name:

Weekly Review 4 – Due Friday, 10/01

Bring to class, having attempted as much as possible

We will grade in class - Turn in corrected assignment to Blackboard after class

1 point each unless otherwise noted.

1. Are the following statements positive or normative? (2 points):
 - a) Reducing income tax will result in increased job creation.
 - b) The government should focus on job creation.
 - c) Job creation does not address fundamental issues of wellbeing.
 - d) LeBron James is the best basketball player in the league.

2. In 1979, tuition per semester at BMCC for a New York state Resident was \$462.50 (1979 dollars)¹. The inflation rate from 1979-today is about 280%. At the given inflation rate, how much was 1979 semester tuition in today's dollars (to the nearest dollar)?
 - a) \$857
 - b) \$1,295
 - c) \$1,758
 - d) \$129,500

3. Which one of the following will count to a nation's GDP?:
 - a) meals made at home to feed a family
 - b) foraging (using plants that grow wild for food and medicine etc.)
 - c) vegetables picked from a community garden
 - d) produce sold at a market

4. Which of the following will increase the profit rate without increasing total revenue?
 - a) advertising the product
 - b) keeping workers over time without paying more
 - c) switching to higher quality ingredients/materials
 - d) raising the price

¹ Borough of Manhattan Community College. (1979). 1979-80 General Catalog. archived at: <https://www.bmcc.cuny.edu/library/wp-content/uploads/2019/10/bmccbulletin7980r.pdf>

5. Consider a pizzeria that earns its owner an annual profit of \$200,000. Each year it purchases ingredients worth \$100,000, pays workers \$200,000, and sells pizza worth \$500,000. What is its value added?
- a) \$100,000
 - b) \$200,000
 - c) \$300,000
 - d) \$400,000
6. How would the U.S. Bureau of Labor Statistics classify a 20-year old individual enrolled in college full-time and working 5 hours per week in the campus bookstore?
- a) Not in the labor force
 - b) A discouraged worker
 - c) Unemployed
 - d) Employed
7. Someone experiencing “frictional unemployment” is someone who ...
- a) would like to work longer hours but is only able to find part-time employment.
 - b) has been searching for a job for an extended period but cannot find a job to match his or her skills.
 - c) is temporarily between jobs.
 - d) has decided to drop out of the labor force.
8. The introduction of compact discs made vinyl records obsolete. To the extent this caused higher unemployment among workers who had manufactured records, which type of unemployment was created?
- a) Frictional unemployment
 - b) Underemployment
 - c) Structural unemployment
 - d) Cyclical unemployment
9. Suppose the United States enters a recession, what type of unemployment would be most likely to rise as a result of the recession?
- a. Structural unemployment
 - b. Frictional unemployment
 - c. Sectoral unemployment
 - d. Cyclical unemployment