**Business Cycle**

1. The growth and contraction in the production of goods and se

A) the business cycle.

B) unemployment.

C) inflation.

D) GDP.

2. Real GDP serves as a better measure of the health of the eco

A) changes in production only.

B) changes in production and changes in price levels.

C) changes is price levels only.

D) the existential void.

3. Who of the following is considered unemployed:

A) Sally who is on vacation but will soon return to the same job.

B) Andrew, who is on disability welfare and not seeking a job.

C) Anne, a college student who is looking for summer work.

D) Tim, who is on strike.

4. Which of the following is a member of the labor force?

A) A stay-at-home mom

B) An unemployed web designer currently looking for a job

C) a full-time student

D) a retired member of the armed forces collecting a pension

5. The full employment goal is NOT zero unemployment because:

A) Frictional unemployment is sometimes desireable.

B) Unacceptably high rates of inflation would probably result.

C) Structural employment will always exist.

D) all of the above.

6. The labor force does NOT include:

A) the very young and very old.

B) those who have jobs.

C) those who are looking for jobs.

D) those who are unhappy with the jobs they have.

7. If the number of dollars you receive each year is the same, but prices are rising, then your nominal income:

A) stays the same but your real income falls.

B) rises and your real income rises.

C) rises and your real income falls.

D) falls but your real income rises.

8. Which of the following could happen during a period of inflation?

A) Prices of some goods could fall.

B) People who have borrowed money could be better off.

C) The real incomes of some people could fall.

D) All of the above could happen during a period of inflation.