Multiple choice questions:

1. In the US and the Euro zone the *construction sector* produces \_\_\_\_\_\_\_\_\_\_\_\_
2. 1-2 percent of GDP
3. 5-6 percent of GDP
4. about 20 percent of GDP
5. about 30 percent of GDP
6. about 50 percent of GDP
7. In the US and the Euro zone *industry* produces\_\_\_\_\_\_\_\_\_\_\_\_
8. 1-2 percent of GDP
9. 5-6 percent of GDP
10. about 20 percent of GDP
11. about 30 percent of GDP
12. about 50 percent of GDP
13. In the US and the Euro zone *agricultural production* constitutes\_\_\_\_\_\_\_\_\_\_\_\_\_\_
14. 1-2 percent of GDP
15. 5-6 percent of GDP
16. about 20 percent of GDP
17. about 30 percent of GDP
18. about 50 percent of GDP
19. In the US and the Euro zone, the activities in *wholesale and retail trade, hotels and restaurants, transports etc.* constitute \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
20. less than 3 percent of GDP
21. 5-6 percent of GDP
22. about 20 percent of GDP
23. about 30 percent of GDP
24. about 50 percent of GDP
25. In the US and the Euro zone, the *financial sector, real estate, and business activities* produce \_\_\_\_\_\_\_\_\_
26. 1-2 percent of GDP
27. 5-6 percent of GDP
28. about 20 percent of GDP
29. about 30 percent of GDP
30. about 50 percent of GDP
31. In the US and the Euro zone, other services (including education and health care), constitute \_\_\_\_\_\_\_\_\_\_\_
32. 1-2 percent of GDP
33. 5-6 percent of GDP
34. about 20 percent of GDP
35. about 30 percent of GDP
36. about 50 percent of GDP
37. In most high-income countries *private consumption* is \_\_\_\_\_\_\_\_\_\_\_\_\_
38. between 15 and 25 percent of GDP
39. between 50 and 70 percent of GDP
40. between 80 and 90 percent of GDP
41. between 1 and 5 percent of GDP
42. less than 2 percent of GDP
43. In most high-income countries *government consumption* is \_\_\_\_\_\_\_\_\_\_\_\_\_\_
44. between 15 and 25 percent of GDP
45. between 50 and 70 percent of GDP
46. between 80 and 90 percent of GDP
47. between 1 and 5 percent of GDP
48. less than 2 percent of GDP
49. In most high-income countries *government investment* is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
50. between 15 and 25 percent of GDP
51. between 50 and 70 percent of GDP
52. between 80 and 90 percent of GDP
53. between 1 and 5 percent of GDP
54. less than 2 percent of GDP
55. In most high-income countries *private investment* is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
56. between 15 and 25 percent of GDP
57. between 50 and 70 percent of GDP
58. between 80 and 90 percent of GDP
59. between 1 and 5 percent of GDP
60. less than 2 percent of GDP
61. The difference between production at *market price and basic price* has to do with \_\_\_\_\_\_\_\_\_\_\_
62. capital depreciation
63. net primary income from the rest of the world
64. indirect taxes and subsidies to production
65. net transfers between countries
66. The difference between *income and disposable income* of a country has to do with \_\_\_\_\_\_\_\_\_\_\_\_\_\_
67. capital depreciation
68. net primary income from the rest of the world
69. indirect taxes and subsidies to production
70. net transfers between countries
71. The difference between *gross and net production* has to do with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
72. capital depreciation
73. net primary income from the rest of the world
74. indirect taxes and subsidies to production
75. net transfers between countries
76. The difference between *domestic product and national income* has to do with \_\_\_\_\_\_\_\_\_\_\_\_\_\_
77. capital depreciation
78. net primary income from the rest of the world
79. indirect taxes and subsidies to production
80. net transfers between countries
81. If we subtract the general government financial balance from the current account we get\_\_\_\_
82. Private net lending
83. Private investment
84. Private saving
85. Exports minus imports
86. At the current exchange rate, GDP per capita in country A is a quarter of what it is in country B.

At the current exchange rate, a typical basket of consumption goods costs half as much in country A as it costs in country B. What does this imply about GDP per capita evaluated at PPP?

1. GDP per capita in country A is twice as large as that in country B
2. GDP per capita in country A is half of that in country B
3. GDP per capita in country A is 1/8 of that in country B
4. GDP per capita in country A is the same as that in country B
5. Individuals in a country produce and consume only apples and oranges and they spend 2/3 of their income on apples. Prices of apples increase 6 percent and prices of oranges increase 3 percent. What is the inflation rate?
6. 3 percent
7. 4 percent
8. 5 percent
9. 6 percent
10. 7 percent
11. Individuals in a country produce and consume only apples and oranges and they spend 2/3 of their income on apples and there is no trade. Production of apples increases 6 percent and production of oranges increases 9 percent. What is the growth rate of real GDP?
12. 3 percent
13. 4 percent
14. 5 percent
15. 6 percent
16. 7 percent
17. In the open economy, savings are not equal to investments? Why is this?
18. Some of the savings is invested in financial assets
19. Individuals and firms can borrow from and lend to individuals and firms in other countries
20. Some of the savings is used to buy government bonds
21. We can get primary income and transfers from abroad