Unit 1.2 Quiz

1. When a government agency reports annually the total amount spent to pay employees, this information is useful for which measurement of economic activities?

A. Consumer spending

B. GDP

C. Investment activities

D. Labor activities

2. A report covering several quarters about the economy includes that more companies are experiencing record high production and adding new employees. Also, wages and the rate of GDP are increasing significantly. Which phase of the business cycle does this report describe?

A. Depression

B. Prosperity

C. Recession

D. Recovery

3. A report covering four quarters about the economy includes that more companies are experiencing less production and reducing the number of employees. Which phase of the business cycle does this report describe?

A. Depression

B. Prosperity

C. Recession

D. Recovery

4. A cosmetic company purchased an automatic wrapping machine that wraps a pallet of boxes in 30 seconds. To complete the same task manually, it would take an employee almost 3 minutes. This information would be useful for which measurement of economic activities?

A. Consumer spending

B. GDP

C. GDP per capita

D. Labor activities

5. Due to decreasing enrollment in a local school system, fewer teachers as employees are needed. As a result, over 100 teachers were released from their commitments. This information would be useful for which measurement of economic activities?

A. Consumer spending

B. GDP

C. GDP per capita

D. Labor activities

6. If an economist researches annually the total value of homes built, this information would be useful for which measurement of economic activities?

A. Consumer spending

B. GDP

C. Investment activities

D. Labor activities

7. In a hypothetical economy, only 40 people were included and 15 pizzas were produced last year at $7 dollars each. This information would be useful for which measurement of economic activities?

A. Consumer spending

B. GDP

C. GDP per capita

D. Labor activities

8. Mary is proud of saving over $43,000 in a bank. She knows that her saving money at the bank will provide funds for others to borrow money. This information would be useful for which measurement of economic activities?

A. Borrowing

B. Consumer spending

C. Investment activities

D. Labor activities

9. Department stores report monthly to the state commerce office its total sales of goods and services. This information would be useful for which measurement of economic activities?

A. Borrowing

B. Consumer spending

C. Investment activities

D. Labor activities