Multiple Choice

Identify the letter of the choice that best completes the statement or answers the question.

1. In calculating the nation's total output, net exports
   a. represent exports of goods and services minus imports of goods and services.
   b. have been a negative number in the last several years.
   c. would include purchases of U.S.-made automobiles by foreigners minus purchase of foreign-made automobiles by U.S. residents.
   d. All of the above are correct.

2. Which of the following was a primary cause of the 1982-83 U.S. recession?
   a. The election of Ronald Reagan as president.
   b. The Gulf War
   c. The raising of interest rates by the monetary authorities
   d. Slow economic growth preceding the 1982-83 recession.

3. Gross Domestic Product
   a. is a measure of national output.
   b. is a measure of gross national income.
   c. is not a perfect measure of economic well-being.
   d. all of the above are correct.

4. The unemployment rate is equal to
   a. the number unemployed divided by the labor force.
   b. the number unemployed divided by the population.
   c. the number unemployed divided by the number employed.
   d. the labor force divided by the population.

5. Persons who have given up looking for work are classified as
   a. unemployed.
   b. discouraged workers.
   c. in the labor force.
   d. temporarily unemployed.
MULTIPLE CHOICE

1. D
2. C
3. D
4. A
5. B