Macro Concepts: Key

1. Which sub fields within macroeconomic are the following questions most closely related?

   a. This is an example of open economy macroeconomics.

   b. This is the study of business cycles.

   c. This is economic growth.

   d. This is macro-finance.

2. I propose requiring all elementary school children to mine coal on the weekend. This would arguably boost GDP in the short-run. Soe might argue that it reduces social welfare.

3. Growth effects compound. A 1% increase in the growth rate will lead to a doubling in roughly 70 years. As a result, the growth effect is more desirable.

4. $\$(1.02)^{50} = \$2.69$.

5. False. We woud want to construct a counterfactual on what unemployment would have been absent the policy.