

Keynesian economics and multiple choice points

[Economics](#)



**ASSIGN
BUSTER**

Assessment: Lesson 7 Preview Questions Instructions You have completed the Lesson 7 Preview Questions. Assessment Score Attempt Score: 8.00 out of a possible 10.00 (80.0%) Assessment Score: 8.00 out of a possible 10.00 (80.0%) Assessment Time: 2462 minutes Question 1: Economics began as a field of study in 1776 with the publication of An Inquiry into the Wealth of Nations by Points awarded: 1.00/ 1.00 .

Type: Multiple Choice Your answer(s): Adam Smith Correct answer(s): Jean-Baptists Say John Maynard Keynes Your Professor Adam Smith Question 2: According to Says Law: If production is created then there e sufficient funds from this creation to purchase everything that is produced. Type: Multiple Choice Your answer(s): will Correct answer(s): will not will sometimes will none of the above Question 3: According to Theory, an economy is assumed to always be at full employment (or very quickly returning to that level).

Type: Multiple Choice Your answer(s): Classical Correct answer(s): Keynesian Smithsonian Classical Traditional Question 4: In the Classical Theory, if Households decrease their spending then Businesses will reduce product prices, but will also Your answer(s): decrease wages increase interest rates

Keynesian Economics and Multiple Choice Points By Karl increase replacement inventories increase investment Question 5: Classical Theory assumes that the economy is capable of adjusting itself to full employment without Your answer(s): government price flexibility wage flexibility interest rate flexibility government Question 6: In the Classical stage of the figure below, a decrease in Aggregate Demand will only result in a movement along the Aggregate Supply line with a corresponding change in prices.

Type: Multiple Choice Points awarded: 0.00 / 1.00 Your answer(s): leftward rightward leftward downward upward Question 7: In the sass's Classical Theory was unable to explain the continuing reductions in economic activity since that activity was supposed to be restored through interest rates, wages and prices.

Type: Multiple Choice flexible Your answer(s): rigid flexible fixed Question 8: A Bathtub model of the start of theGreat Depressionwould show the water level becoming lower with Investment inflow being less than Savings leakage and, therefore, quantity of AD being Your answer(s): less than Correct answer(s): less than quantity of AS. The same as Question 9: In this example of the Classical adjustment process, a recession seems to e starting with Business Investment spending declining by billion dollars because of pessimism regarding profit opportunities in the short run.

Points awarded: 0.00/ 1.00 Your answer(s): 400 Correct answer(s): 100 200 Question 10: In this example of the Classical adjustment process, the recession is avoided when is increased by \$100 billion which effectively offsets the decline in Business Investment spending. Your answer(s): Consumption spending by Households Correct answer(s): deficit spending by Government import spending by Foreign Markets Consumption spending by Households Saving by Households