

# Business economics discussion questions flashcard



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Can this be compared to leaders of firms with monopoly power who try to impose their wishes on the market even if that does not allow free flow of products? The Bible was originally written in Hebrew for the Old Testament and in Greek for the New Testament. At first, there was fear of corrupt translations. Before the invention of the printing press, all copies had to be done hand written and the church had also banned unauthorized translations. However, later with invention of the printing press, people like William Tyndale were able to print several thousands of copies.

The reason for the banned translations was also in an attempt to prevent the rise of English Lutheranism; English rulers forbade printing of the Bible. Yes. This is very comparable to monopolistic leaders who would wish to impose their wishes on the market despite of the fact that it may not be allowing free flow of goods and services. Due to lack of competition, monopolies know that there is lack of a viable substitute.

They basically derive their market power from barriers to entry such that they can only benefit. 2. Spending in the United States Economy is typically divided into 4 main disagrees as shown by your book.

The largest category is personal consumption expenditures which usually amount to about 70% of total spending in the economy. Could it be said that the financial health of the typical household is the most important variable in the strength of the country? Explain! It is not right to say that the financial health of a typical household is an important variable in the strength of a country. This is because there are some other categories, maybe smaller, but has major impacts in the strength of a country economic soundness.

The Gross National Product (GNP) is a nation's total output of goods and services that are produced in a country.

In obtaining the GNP value, only the final value of the product is counted with government spending, private investments and exports also being factored in the consumer purchases. However, it is important to note that investments in any country are a more equally a stronger economic indicator of a country's economic prowess than in spending. Consumer spending is however carefully watched as it accounts for 70% hence it is the biggest chunk of GAP.

3. One of the confusing concepts in economics relates to nominal versus real interest rates as well as other variables like nominal GAP versus Real GAP.

What are the differences in the concepts of "real" and "nominal" in terms of economic variables? Which is more important and how can the terms be explained more clearly to a person not familiar with economic concepts?

Note: You may wish to watch the video that, "Real GAP and Nominal GAP" that is available on the "Modules Pane" of this Canvas course. In economic variables, the term "real variable" is one that where the effects of inflation are factored in, for example real interest rate while a nominal variable is one where the effects of inflation have not been factored in.

In GAP (Gross Domestic Product which is the value of all goods and services that are produced in a country), the nominal GAP measures the value of all the goods and services produced in the country in their current prices while real GAP measures the value of goods and services produced but are

expressed in the prices of some year called base year. The Real GAP of a country is important than the nominal GAP.

This is because the real GAP takes into account some factors like inflation and thus is a more accurate measure of how well the economy performed.

Nominal GAP may seem to report that a country is producing more when actually it is only because prices have risen from the past years. 4. Once when Jesus and the Disciples were at the Temple, they observed visitors contributing their offerings.

Several wealthy visitors threw in coins that made relatively large noise to announce the size of the contribution. Then a widow lady gave two small coins that barely made a sound yet Jesus commented on how valued that offering was because she was willing to give though she had many needs that were likely impacted by the offering.

Think about how often people give large sums of money yet want recognition and honor for the gift. Do we need to be more like the widow and seek to serve even when it hurts? Believe we all should be like the widow.

We all know from the Bible that the widow attracted Jesus Christ who promised to care for those who trusted in Him in return as is written in Mathew 6: 33 " Seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you. " It is important to release from the story that those who give all to Jesus will be rewarded. The best part of it is that the Lord rewards in unlimited and unexpected ways.

The choice to give what we have is ours but can make all the difference in this life and maybe in the next one too. It is also important to observe that God's laws on concerning giving and receiving are immutable that we cannot change them. He has promised that when we sow in faith, we will reap.

That I believe is an unfailing eternal promise that cannot be broken. It is therefore not aptly important that when we make large donations, we eave to let the whole world notice of it but God knows our hearts and we will be rewarded. 5. One of the hot topics in economic policy over the past several years has been the role of the Federal Reserve.

The Federal Reserve is an autonomous agency that is not under the direct control of the elected officials of the United States in regards to monetary policy.

Some people consider the Federal Reserve to be a negative influence. Based on your studies, comment on your view of the Federal Reserve as an appropriate agency to manage the monetary policy of the Ignited States. Monetary policy is the process in which the monetary authority (bestowed in the Federal Reserve) controls the supply of money with an aim of controlling interest rates in order to spur economic growth and stability.

The Federal Resent? s main purpose is to address the nation's monetary policy among other purposes as stated in the Federal Reserve Act.

The main tool of monetary policy is open market operations that entail the quantity of money in circulation through buying and selling of various financial instruments like company bonds, treasury bills, and foreign irenics

thus controlling the amount of money in circulation. The US Federal Reserve targets the federal funds rate to achieve a specific short-term interest.

The Federal Reserve also conducts monetary policy through discount window lending, open mouth operations, moral suasion, and fractional deposit lending to achieve the above goals. Since the onset of financial crises around the world that resulted to deep recession, the unemployment rate has remained above its normal rate.

However, the monetary decisions taken takes into account a number of factors including short-term interest rates, Eng-term interest rates, exchange rates, credit quality, financial derivatives, velocity of money through the economy, and international capital flows to ensure that the American economy is protected.