Economics 132.02 – Spring 2013 – First Midterm Exam

Please tear off this sheet and write your name on the line above before handing it in.

1. a. Law of demand.
   
b. Supply schedule.
   
c. Quantity supplied.
   
d. Supply curve.
   
e. Quantity demanded.

2. a. The demand curve shifts.
   
b. The curve shifts to the right.
   
c. The equilibrium price rises.
   
d. The equilibrium quantity rises.

3. a. FALSE
   
b. TRUE
   
c. FALSE
   
d. TRUE

4. a. G
   
b. C
   
c. NX
   
d. I
5.  


   c. The GDP deflator is 100 for 2010, 200 for 2011, and 300 for 2012.

6.  

   b. The CPI is 100 in 2010, 200 in 2011, and 310 in 2012.

   c. The inflation rate is 100% in 2011 and 55% in 2012.

7.  
a. Substitution bias.

    b. Overstate.

8.  
a. $160,000

    b. The worker who earned $200,000 in 2012.

9.  
a. Technological knowledge.

    b. Physical capital per worker.

    c. Natural resources per worker.

    d. Human capital per worker.

10. 
    a. FALSE

    b. FALSE

    c. TRUE

    d. TRUE