

Math 101 Quiz

11 Questions

1. In an economy: Consumption=400 and Investment=150. Assuming the simple income model is $Y = C + I$, what is the equilibrium level of national income.

6/31 ☐ A 250

1/31 ☐ B 400

24/31 ☒ C 550

0/31 ☐ D 600

2. The saving function is given as: $S = -40 + 0.2Y$. At what level of income does saving equal zero.

1/31 ☐ A 100

2/31 ☐ B 150

28/31 ☒ C 200

0/31 ☐ D 250

3. If the marginal propensity to consume (MPC) is 0.6 what is the marginal propensity to save (MPS)

2/31 ☐ A 0.2

28/31 ☒ B 0.4

0/31 ☐ C 0.6

1/31 ☐ D 1

4. Given the following consumption function: $C = 100 + 0.5Y$ and investment $I = 200$, what is the equilibrium level of national income?

2/31 ☐ A 300

5/31 ☐ B 400

2/31 ☐ C 500

22/31 ☒ D 600

5. The price of a product was \$40 in the base year and \$50 in the current year. What is the simple price index (base year=100)?

3/31 A 110

4/31 B 120

23/31 C 125

1/31 D 140

6. A jacket's price increases by 20% and is later reduced by 20%. Compared to the original price, the final price is:

4/31 A The same

4/31 B 4% higher

20/31 C 4% lower

3/31 D 8% lower

7. An investment increases by 10% in the first year and by 5% in the second year. What is the total percentage increase over the two years?

4/31 A 15%

22/31 B 15.5%

1/31 C 16%

4/31 D 17%

8. After a 25% discount, the price of a product is \$150. What was the original price?

1/31 A 180

3/31 B 190

25/31 C 200

2/31 D 210

9. A store offers two successive discounts of 10% and 15%. What is the equivalent single discount?

7/31 A 23%

8/31 B 24%

7/31 C 25%

9/31 D 26.5%

10. The value of an asset falls by 30%. By approximately what percentage must it increase to return to its original value?

2/30 **A** 30%

6/30 **B** 35%

5/30 **C** 40%

17/30 **D** 42.9%

11. A price index increases from 120 to 138 what is the percentage increase in prices.

1/29 **A** 12%

13/29 **B** 15%

14/29 **C** 18%

1/29 **D** 20%