Quiz # 3
Dr. Nath

Multiple Choice
Identify the choice that best completes the statement or answers the question.

____ 1. Which of the following nations experienced average rates of economic growth of less than 2 percent over the last 100 years?
   a. Bangladesh
   b. Pakistan
   c. United Kingdom
   d. All of the above are correct.

____ 2. Which of the following is correct?
   a. Although levels of real GDP per person vary substantially from country to country, the growth rate of real GDP per person is similar across countries.
   b. Productivity is not closely linked to government policies.
   c. The level of real GDP per person is a good gauge of economic prosperity, and the growth rate of real GDP per person is a good gauge of economic progress.
   d. Productivity may be measured by the growth rate of real GDP per person.

____ 3. Which of the following statements is correct?
   a. By definition, all natural resources are nonrenewable.
   b. Market prices give us reason to believe that natural resources are a limit to economic growth.
   c. An economy must be blessed with ample quantities of natural resources if it is to be a highly productive economy.
   d. Differences in natural resources can explain some of the differences in standards of living around the world.

____ 4. The key determinant of a the standard of living in a country is
   a. the amount of goods and services produced from each hour of a worker’s time.
   b. the total amount of goods and services produced within the country.
   c. the total amount of its physical capital.
   d. its growth rate of real GDP.

____ 5. Which of the following best illustrates the human capital of a survivor stranded on an island?
   a. the fishing poles she has produced
   b. the invention of a better fishing lure
   c. the fresh fruit and fish on and around the island
   d. her previous training in a survival course

____ 6. Cedar Valley Furniture uses 5 workers, each working 8 hours, to produce 80 rocking chairs. What is the productivity of these workers?
   a. 2 chairs per hour
   b. 10 chairs per hour
   c. 1 hour per chair
   d. 80 chairs
7. Which of the following would be considered physical capital?
   a. the refrigerators at Uncle Bob’s restaurant
   b. rivers on which goods are transported
   c. the skills and knowledge of a lawyer
   d. All of the above are correct.

8. Which of the following would be human capital and physical capital, respectively?
   a. for an accounting firm, the accountants’ knowledge of tax laws and computer software
   b. for a grocery store, grocery carts and shelving
   c. for a school, chalkboard and desks
   d. for a library, the building and the reference librarians’ knowledge of the Internet

   a. Country A must have a higher standard of living than country B.
   b. Country A's productivity must have grown faster than country B's.
   c. Both of the above are correct.
   d. None of the above is correct.

10. Thomas Edison received patents on many of his inventions. While the patents existed, his ideas were
    a. public goods and proprietary knowledge.
    b. public goods but not proprietary knowledge.
    c. private goods and proprietary knowledge.
    d. private goods but not proprietary knowledge.
MULTIPLE CHOICE

1. ANS: D PTS: 1 DIF: 2 REF: 25-1
   NAT: Analytic LOC: Productivity and growth TOP: Economic growth
   MSC: Definitional

2. ANS: C PTS: 1 DIF: 2 REF: 25-2
   NAT: Analytic LOC: Productivity and growth TOP: Economic growth
   MSC: Interpretive

3. ANS: D PTS: 1 DIF: 2 REF: 25-2
   NAT: Analytic LOC: Productivity and growth TOP: Natural resources
   MSC: Interpretive

4. ANS: A PTS: 1 DIF: 1 REF: 25-2
   NAT: Analytic LOC: Productivity and growth TOP: Standard of living | Productivity
   MSC: Interpretive

5. ANS: D PTS: 1 DIF: 1 REF: 25-2
   NAT: Analytic LOC: The study of economics and definitions in economics
   TOP: Human capital MSC: Interpretive

6. ANS: A PTS: 1 DIF: 1 REF: 25-2
   NAT: Analytic LOC: Productivity and growth TOP: Productivity
   MSC: Applicative

7. ANS: A PTS: 1 DIF: 1 REF: 25-2
   NAT: Analytic LOC: The study of economics and definitions in economics
   TOP: Physical capital MSC: Definitional

8. ANS: A PTS: 1 DIF: 1 REF: 25-2
   NAT: Analytic LOC: The study of economics and definitions in economics
   TOP: Human capital | Physical capital MSC: Definitional

9. ANS: D PTS: 1 DIF: 3 REF: 25-2
   NAT: Analytic LOC: Productivity and growth TOP: Productivity | Standard of living
   MSC: Analytical

10. ANS: C PTS: 1 DIF: 2 REF: 25-2
    NAT: Analytic LOC: The study of economics and definitions in economics
    TOP: Technology MSC: Interpretive