

1. Real GDP has increased. Which other variable must necessarily have also increased?

- (a) The CPI or the GDP deflator
- (b) Nominal GDP
- (c) Real GDP per capita
- (d) None of the above

2. In which case all the variables are nominal or all of them are flow variables?

- (a) GDP at current prices, consumer price index, M2 at the end of a given year, amount of M1 created in a certain year divided by the CPI of that year.
- (b) Potential GDP, GDP per capita at constant prices, the amount of euro banknotes in circulation at the end of 2013.
- (c) GDP deflator inflation rate, the liquidity ratio, GDP at constant prices, the amount of reserves that banks hold at the end of a given year.
- (d) None of the above

3. The money multiplier necessarily goes up if

- (a) the liquidity ratio goes down and the reserve ratio goes up.
- (b) M2 is larger than M0.
- (c) bank reserves equal the cash held by the public.
- (d) None of the above

4. Find next a general economic concept followed by two or three variables. In which case some of the listed variables is completely unrelated to the corresponding economic concept?

- (a) Aggregate production | Nominal GDP, real GDP, potential GDP
- (b) General price level | GDP deflator, consumer price index
- (c) Money | M0, M1, M2
- (d) None of the above

5. Which sentence is not true?

- (a) Real GDP may rise while real GDP per capita is falling.
- (b) The unit of account function of money does not mean that money is a way of accumulating purchasing power.
- (c) The CPI inflation rate may be equal to the GDP deflator inflation rate.
- (d) If real GDP is higher than nominal GDP, then the GDP deflator corresponding to the base period is smaller than the GDP deflator corresponding to the current period.

6. The denial of which sentence is not false?

- (a) The money creation process involves loans by banks, expenditures by borrowers, revenues obtained by sellers, and deposits by bank clients.
- (b) It is not true that inflation implies disinflation.
- (c) Slovakia, Latvia, and Estonia are members of the eurozone, but Poland, Sweden, and Iceland are not.
- (d) The term “potential GDP” abbreviates the expression “rate of growth of real GDP per capita”.



Write your answers in lower case (minuscule) letter in only one of the following tables

Use Table 1 if you give at most one answer to each question

Use Table 2 if you want to give two answers to some question

No answer: +0 · Correct answer: +1 · Incorrect answer: -1/3

Table 1

1	2	3	4	5	6

No answer: +0 · Only one answer: if correct, +1; if incorrect, -1/3.

Two answers: if one correct, +1/2; if none correct, -1/2.

Table 2

1	2	3	4	5	6