

Much of the exam is in the form of short, written responses. A quality written response includes 1-2 complete, grammatically correct sentences and 1 real-world example.

1.) What is the primary goal of governmental and business leaders as it pertains to the economy? Why does this goal supersede all others? [3 marks]

2.) What was similar about the leading causes of the stock market crashes of 1929 and 2008? From an asset inflation perspective, what was the primary difference? [4 marks]

3.) Below are the three different types of unemployment. Please define each and give a specific, vocational example. [6 marks]

Frictional: _____

Cyclical: _____

Structural: _____

3a.) How would one *specifically* calculate the USA's unemployment rate?

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4.) The new iPhone 11 will be released in September.

i) Sketch a supply and demand curve below. Identify each curve and the market equilibrium point. [3 marks]

ii) Apple has an unexpected production snarl in their fabrication process at FoxConn. Sketch the new curve with a dotted line and identify the new market equilibrium point. [3 marks]



5.) Apple's leading revenue driver is the iPhone (63% of sales). Apple shifted into the wearables sector by producing the Apple Watch (~2% of sales). Sketch a production possibilities frontier below and indicate the point where Apple is currently. [4 marks]



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6.) Depending on where you put Apple's current position on the PPF in question 5, comment on Apple's utilization of the four factors of production. *[8 marks]*

Factor 1: _____

Factor 2: _____

Factor 3: _____

Factor 4: _____

7.) Sketch the circular flow diagram below: *[8 marks]*

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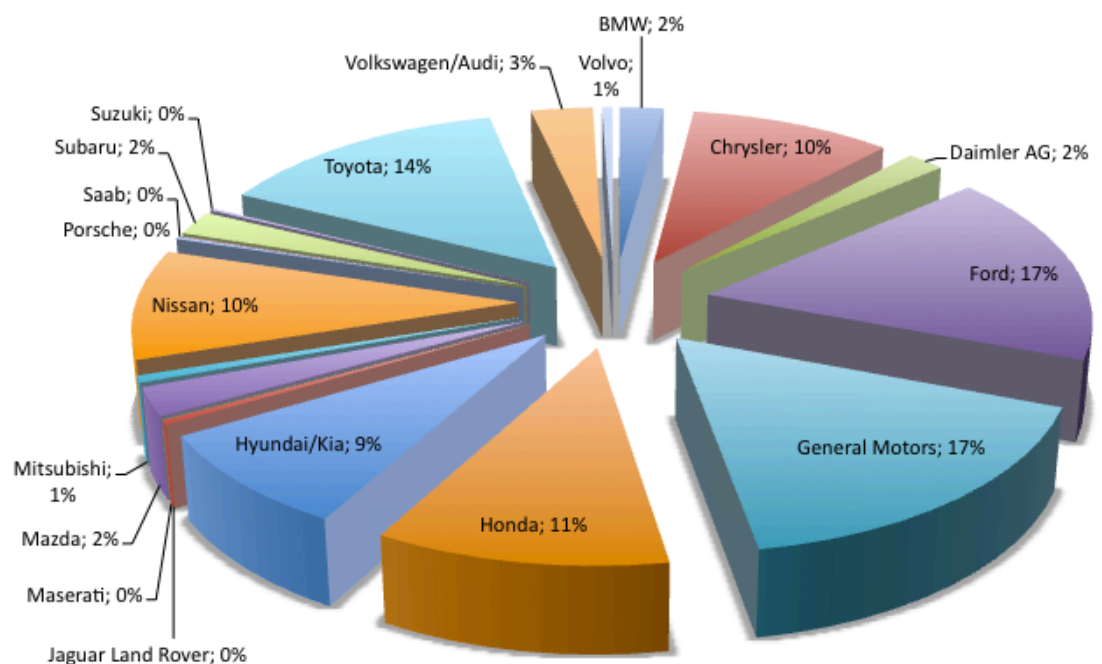
8.) The most recent peak for inflation occurred in 1990 at 6.29%.

i) If you were the Federal Reserve Chairman at the time, Alan Greenspan, how would you have felt about this inflation rate and why? [2 marks]

ii) Describe two strategies consumers use to fight inflation -- 1 strategy for spending and 1 strategy for investing [4 marks]

9.) Evicka decides to declare her candidacy for president and wins the 2036 election by a narrow margin as an independent candidate. Her first move as president is to send all adult, US citizens a \$1,000 check. Comment on the effect of this action on inflation and GDP. Use mathematical logic for GDP and money supply for inflation. [4 marks]

10.) Calculate the HHI for the 2011 US Auto market and comment on the competitive state of this market.



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