

Understanding Our Economy: Macro Basics

Macroeconomics · Answer Key · 3 Questions

1. What does macroeconomics primarily study?

- A) The choices of individual businesses
- B) The decisions of a single consumer
- C) The economy as a whole, including nations and global markets**
- D) How to manage a personal budget

2. What does Gross Domestic Product (GDP) measure in a country?

- A) The total amount of money people save
- B) The total value of all finished goods and services produced within a country in a specific time period**
- C) The number of people employed in a country
- D) The total amount of natural resources a country has

3. What happens to the price of goods and services during a period of inflation?

- A) They generally decrease
- B) They remain stable
- C) They generally increase**
- D) They become free