

Introduction to Economics Practice

Test yourself! After listening to the *Intro to Economics* audio, work through the following and check your answers at the bottom of the page.

Test 1: Decide whether each of the following is a macroeconomic or a microeconomic statement.

1. "Last year, IBM was the U.S. business with the most patents registered with the U.S. government."
2. "The U.S. economy grew at an annual rate of 4.2 percent last year."
3. "Snow in the northeast has reduced the number of holiday shoppers at clothing stores and clothing prices are falling."
4. "More workers are being hired by the nation's businesses."
5. "The U.S. economy imported more goods and services than it exported last year."
6. "New discoveries in medicine are leading to strong growth in the biotech industry."

Test 2: Decide whether each of the following is a positive or normative statement.

1. "The national economy grew at a 6.2 percentage rate in the last quarter as the economy continues to recover from the past recession."
2. "The rate of inflation should be reduced to zero to maintain the value of the U.S. dollar."
3. "Interest rates for home mortgages are at their lowest rate in thirty years."

Test 1 Answers:

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|----------|----------|
| 1. Micro | 4. Macro |
| 2. Macro | 5. Macro |
| 3. Micro | 6. Micro |

Test 2 Answers:

1. Positive
2. Normative
3. Positive