

$$\frac{0.11}{\frac{10}{100}} = 1.1$$

$$\frac{100 - 90}{90} \times 100 = \frac{10}{90} \times 100$$

9

16. If the price index in the first year was 90, in the second year was 100, and in the third year was 95, what did the economy experience?
- 10 percent inflation between the first and second years and 5 percent inflation between the second and third years
 - 10 percent inflation between the first and second years and 5 percent deflation between the second and third years
 - 11 percent inflation between the first and second years and 5 percent inflation between the second and third years
 - 11 percent inflation between the first and second years and 5 percent deflation between the second and third years
17. Which of the following is the correct definition of GDP?
- the market value of all goods produced within a country
 - the market value of all final goods and services produced by the citizens of a country
 - the market value of all final goods and services consumed within a country over a number of years
 - the market value of all final goods and services produced within a country in a given period of time
18. How does a rise in the consumer price index affect a typical family?
- The typical family has to spend more dollars to maintain the same standard of living.
 - The typical family can spend fewer dollars to maintain the same standard of living.
 - The typical family finds that its standard of living is not affected.
 - The typical family can offset the effects of rising prices by saving more.
19. Samantha deposits \$2000 into a saving account that pays an annual interest rate of 5 percent. Over the course of a year, the inflation rate is 2 percent. What happens at the end of the year?
- Samantha has \$100 more in her account, and her purchasing power has increased by about \$40.
 - Samantha has \$100 more in her account, and her purchasing power has increased by about \$60.
 - Samantha has \$140 more in her account, and her purchasing power has increased about \$100.
 - Samantha has \$140 more in her account, and her purchasing power has increased about \$40.
20. Mavis Corporation has an agreement with its workers to completely index the wages of its employees to inflation in the CPI. Mavis currently pays its production line workers \$10 an hour and is scheduled to index their wages today. If the CPI is currently about 120 and was 100 a year ago, by how much should Mavis increase the hourly wages of its workers?
- \$0.58
 - \$0.65
 - \$1.00
 - \$2.00
21. Which of the following is counted in Canadian GDP?
- goods and services produced by Canadian citizens working in the U.S.
 - American intermediate goods used in the production of Canadian final goods
 - Canadian final goods and services purchased by the American government
 - American final goods and services purchased by the Canadian government

$$\sqrt{1000}$$

$$5 - 2 = 3\%$$

100, ↑ 2%, 108

$$\frac{120 - 100}{100} \times 100 = 20\%$$

10 \$
0.2