

- _____ 22. If GDP in the fourth quarter is announced to be \$1.6 trillion, what does this number reflect?
- the actual amount of final goods and services produced in the fourth quarter
 - about four times the annual GDP rate
 - a somewhat lower amount than the amount actually produced in the fourth quarter, because GDP is seasonally adjusted, and nonseasonally adjusted GDP for the fourth quarter is typically higher
 - about four times the amount actually produced in that quarter, plus what had been removed for seasonal adjustment
- _____ 23. Suppose that the real interest rate was 3 percent and the inflation rate was 1 percent. What happened with the value of savings?
- The dollar value of savings increased at 2 percent, and the value of savings measured in goods increased at 3 percent.
 - The dollar value of savings increased at 1 percent, and the value of savings measured in goods increased at 2 percent.
 - The dollar value of savings increased at 3 percent, and the value of savings measured in goods increased at 1 percent. 47
 - The dollar value of savings increased at 4 percent, and the value of savings measured in goods increased at 3 percent.
- _____ 24. How are nominal GDP and real GDP related?
- Nominal GDP measures base-year production using base-year prices, while real GDP measures current production using current prices.
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 - Nominal GDP measures current production using current prices, while real GDP measures base-year production using base-year prices.
- _____ 25. Which of the following statistics is the best single measure of an economy's well-being?
- unemployment rate
 - inflation rate
 - gross domestic product
 - trade deficit
- _____ 26. How are intermediate goods treated in GDP computations?
- They are included so we can get a measure of sales.
 - They are excluded because their value is already counted in the value of final goods.
 - They are excluded because they are too difficult to measure.
 - They are included because they are final goods for the firm producing them.