

## Economics Final Exam Questions

Use a diagram to provide an example of trade-offs and an opportunity cost. Underneath the diagram explain the process. **(4 points)**

Draw two graphs. The first illustrating demand-pull inflation and the second illustrating cost-push inflation. Underneath each graph describe what is happening and how inflation occurs. **(4 points)**

Some people have argued that the reported unemployment rate actually understates the extent of unemployment. Explain this reasoning and provide 2 examples for support. **(2 points)**

If the economy is experiencing a recession, list one fiscal policy and one monetary policy that can be used to correct the situation and explain the impact of each. **(2 points)**

If the economy is experiencing high inflation, list one fiscal policy and one monetary policy that can be used to correct the situation and explain the impact of each. **(2 points)**

Is globalization good or bad as it relates to the economy? State your claim and explain your reasoning with details and examples. State a counterclaim and refute it with reasoning. **(4 points)**

Provide and explain an example of a positive externality and a negative externality. **(2 points)**

Many people believe that a flat income tax would be better than the current progressive income tax. Make a claim for the tax which you believe is the best and support it with details, examples, and math. Refute the other tax by using details, examples, and math. **(4 points)**

Is a market economy preferable to a command or traditional economy? Explain why or why not. Use examples and details to support your claim that address each type of economy. **(4 points)**

Provide 2 examples and explain in detail how to improve productivity? **(2 points)**

What do you believe should be government's role in the economy? Provide two examples and explain. **(2 points)**