

CANADIAN ECONOMY 2203

Chapter 14

Sample Exam

Part A: Define or explain ten of the following:

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|------------------|---------------------------|
| 1) Right size | 7) Potential output |
| 2) Down size | 8) Employment |
| 3) Stagflation | 9) Unemployment |
| 4) Recession | 10) Underemployment |
| 5) Recovery | 11) Demand pull inflation |
| 6) Actual output | 12) Jobless Recovery |

Part B:

- 1) Explain why changes in the recession and expansion phases occur.
- 2) How can costs benefits be used to assess issues related to employment?
- 3) What is the difference between cost, push and demand pull inflation? Give two examples of each.
- 4) Explain the relationship that exists between national unemployment levels and G.D.P.
- 5) Why do you think that inflation and unemployment are inversely related?