

Questions *Macroeconomics* (with answers)

3 Economic cycle and unemployment

01	Economic cycle ① Draw a typical economic cycle (business cycle). ② Why are governments interested in economic cycles?
02	Unemployment 1 Which costs are caused by unemployment?
03	Unemployment 2 Calculate the unemployment rate: <ul style="list-style-type: none">• Number of inhabitants: 10 million• Labour-force participation: 62 %• Unemployed persons: 455'000
04	Unemployment 3 ① Which types of unemployment are there? ② Which type is observed during a recession?
05	Automatic stabilizers ① What are automatic stabilizers? ② How do they work during the economic cycles?
06	Multiplier GDP is increased by 120 due to an investment of 40. Calculate: ① the multiplier; ② the marginal propensity to consume (MPC); ③ the marginal propensity to save (MPS).
07	Phillips curve 1 What is the opportunity cost of reducing unemployment according to the Phillips curve?
08	Phillips curve 2 ① Draw a Phillips curve. ② What happens to the Phillips curve if the inflation rate rises at unemployment* (U^*) and at each other level of unemployment?

09	Stagflation ① What is stagflation? ② Which dilemma exists when fighting stagflation?									
10	Growth 1 What is the difference between potential and actual growth of GDP?									
11	Growth 2 Calculate the growth rate of the real GDP: <table style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Nominal GDP</th> <th>GDP-Deflator (index)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>600</td> <td>112</td> </tr> <tr> <td>2</td> <td>650</td> <td>116</td> </tr> </tbody> </table>	Year	Nominal GDP	GDP-Deflator (index)	1	600	112	2	650	116
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→ [Answers. Click here!](#)