

## Macroeconomics Study Guide

1. What is the significance of the difference between GNP and GDP?
2. Why were the guidelines for calculating GNP established (be specific)?
3. What is the value of calculating Net National Product when we already have GNP?
4. What are the limitations to the usefulness of GNP?
5. Why are consumers so important to determining GNP? What does this say about government policy towards GNP?
6. What policies suggestions would you make to the President and Congress today to promote growth in GNP?
7. Explain how the business cycle works and why it is important.
8. What are the problems with measuring unemployment why are they significant?
9. What is frictional unemployment and why is it significant?
10. What is cyclical unemployment and why is it significant?
11. What is structural unemployment and why is it significant?
12. What is seasonal unemployment and why is it significant?
13. Should we care about unemployment? Why or why not?
14. What is inflation and why is it significant?
15. Explain the difference between Demand – Pull inflation and Cost – Push inflation.
16. What are the problems caused by inflation and why are these important?
17. What is hyperinflation and why is it worse than regular inflation?
18. Evaluate the growth in government spending over the past 75 years.
19. Which tax principles do you think are most compelling to follow? Why?
20. How is Keynesian Economics supposed to work?
21. What are automatic fiscal stabilizers and why are they important?
22. What is supply-side economics and why is it important?
23. Should we be concerned about our yearly deficits and national debt? Why or why not?
24. What approach would you take towards the federal budget? What would be your priorities on taxes, spending, and debt? Why?