

1. NAFTA stand for _____
2. The student body President of CSU, Stanislaus is _____.
3. _____ is pictured on the U.S. \$10 bill.

Answer four (4) of the following six (6) questions:

1. Compare and contrast the corporate, partnership and proprietorship forms of business. Be sure to note the advantages and disadvantages of each.
2. What are substitutes and complements? How is the effect of a price change related to each type of good? In pricing what does a surplus (shortage) mean?
3. Unemployment is generally considered bad. Why? Some unemployment is considered good. Why? What is the explanation of this inconsistency? Discuss, identifying the causes of unemployment.
4. What is GDP? What are two approaches to measuring GDP? What is inflation? Why is GDP and why is inflation hard to measure?
5. What are public goods and their characteristics? What policy tools might be needed in the case of public goods? What are quasi-public goods? What special challenges are created by public goods?
6. The following table is a consumption schedule. Assume that taxes and transfer payments are zero and that all saving is personal saving.

(GDP = DI)	C	S	APC	APS
1500	\$1540	\$_____	1.027	-.027
1600	1620	_____	1.013	-.013
1700	1700	_____	_____	_____
1800	1780	_____	.989	.011
1900	1860	_____	.979	.021
2000	1940	_____	_____	_____
2100	2020	_____	.962	.038
2200	2100	_____	_____	_____

Compute saving at each level of disposable income and the missing average propensities to consume and to save.

What is the break-even level of disposable income?

What is the MPC, the MPS?

What is the value of the multiplier in this example? What does it represent? How can it be used?