Homework 10

Due on 12/11/2024, by 23:00

This assignment is optional but STRONGLY RECOMMENDED. If you do not submit the answers till the deadline, the score of your final exam will substitute for the score for this assignment. Submit only the correct letter for each task on eLearn under 'Quizzes' within 'COR2100-Economics and Society G10-11-12-13'. Note that the actual text of questions and answers is not supposed to appear on the eLearn quiz. You have unlimited attempts. The system is programmed to credit your last attempt. Be informed that if you submit an attempt and afterwards you re-open the quiz, you must submit your answers AGAIN or else the system will grade the unfinished attempt with 0 (because it is the last one) and there is NOTHING I can do to fix this after the fact. Late homework or homework submitted outside eLearn cannot be accepted as this would violate SMU official policy for fairness and transparency in grading. This assignment is protected by Grade Insurance™: If the assignment's average turns out to be below 75, an equal amount of bonus points will be given to every work, for the average to become 75. Direct any homework questions to your TA.

1. Which of the following participate(s) in the commodity market?

    A. A FairPrice supermarket.
    B. Development Bank of Singapore.
    C. Singapore Management University.
    D. All of the above.

2. In the $C + I + G$ model, which of the following is LESS likely to increase if the income tax falls?

    A. Consumption.
    B. Investment.
    C. Real GDP.
    D. The budget deficit.

3. Which of the following combinations of policies would be more suitable for a country with low debt, high unemployment and low inflation?

    A. Expansionary Fiscal Policy and Expansionary Monetary Policy.
    B. Expansionary Fiscal Policy and Contractionary Monetary Policy.
    C. Contractionary Fiscal Policy and Expansionary Monetary Policy.
    D. Contractionary Fiscal Policy and Contractionary Monetary Policy.

4. Which of the following is likely to affect the interest rate?

    A. An increase in t.
    B. An increase in I.
    C. An increase in $X - M$.
    D. All of the above.

5. Which of the following is most likely to be the target of Expansionary Monetary Policy?

    A. To increase the interest rate.
    B. To increase employment.
    C. To reduce inflation.
    D. All of the above.

6. Which of the following is accurate regarding Expansionary Fiscal Policy?

    A. For the same stimulation of Y, increasing G creates less budget deficit than decreasing t.
    B. For the same stimulation of Y, increasing G creates more budget deficit than decreasing t.
    C. For the same stimulation of Y, increasing G creates the same budget deficit as decreasing t.
    D. None of the above.

7. Which of the following assets had increased disproportionately to their real value and led the US economy to the Great Depression?

    A. Mortgage securities.
    B. Stocks.
    C. Bonds.
    D. The US dollar.

8. Why would a Central Bank increase the money supply immediately after the government has increased G?

    A. To stabilize the interest rate.
    B. To incentivize investment.
    C. To prevent prices from rising.
    D. To provide cheap money to the government.

9. Which of the following could be the target of Expansionary Fiscal Policy?

    A. To control inflation.
    B. To decrease unemployment.
    C. Both A and B.
    D. None of the above.

10. Greece has around 160% Debt/GDP ratio, while Japan has around 260% Debt/GDP ratio. Yet, Greek government bonds are less preferable than those of Japan. Which of the following could be the reason?

    A. Japan issues more bonds than Greece, thus making it easier for investors to buy them from the market.
    B. Japan has higher inflation than Greece.
    C. Japan uses its debt for investment purposes, while Greece mainly for consumption.
    D. All of the above.

Good afternoon! As we approach the end, I would like to share some valuable lessons that I have learned through expensive experiences. I am not sure if they will be of any use to you but… you never know. The order is random: (1) Cherish the moments and those around you before they become memories. People and moments sometimes leave us without notice. (2) If you choose to do something, do it well or don't do it at all. Life is too short to waste it in mediocre shit. (3) The only person you need to be competing with is your yesterday's self. (4) You cannot be a Gentleman or a Lady only 'sometimes' or only to 'some'. You either are or you are not and the choice is yours. (5) Giving your best matters more than winning. (6) If somebody makes your life difficult, they are either a jerk or maybe they care for you. In most cases, it's the former, but it's worth exploring to see if it's the latter. (7) The right path is always uphill. (8) Only a foolish person takes pride in something they did not contribute to achieving. (9) Only losers succeed always because they never take on difficult challenges. (10) The journey matters more than the destination but who you are traveling with matters even more. (11) Those who give you advice will not be there to share the cost if you fail. (12) If everyone around you gives you the same advice, listen to them. Then, try to prove them wrong. It is your life. Live it as you want. (13) If everyone around you tells you what you want to hear, start looking for some real friends. (14) If something can be counted (money, likes, views, sexual partners, cars, houses etc.) it doesn't have any real value.   Kosmas