Question #1 of 14

Question ID: 1572964

Which of the following statements about credit cycles is *mostaccurate*?

A) Credit cycles are a potential cause of asset price bubbles.

B) A typical business cycle includes two or more credit cycles.

C) Credit cycles tend to dampen business cycles.

Question #2 of 14

Question ID: 1572969

An economy has been producing at its full-employment level of output and the price level has been stable. Businesses then begin experiencing unintended decreases in their inventory levels. What does this *most likely* imply about the short-run outlook for economic growth and inflation?

	Economic growth	Inflation
A)	Increasing	Increasing
B)	Increasing	Decreasing
C)	Decreasing	Increasing

Question #3 of 14

Question ID: 1572972

Manufacturing and trade sales are *best* described as a:

A) leading indicator.

B) coincident indicator.

C) lagging indicator.

Question #4 of 14

Question ID: 1572966

Firms' initial responses to an emerging economic contraction are *most likely* to be:

A) reducing overtime hours.

B) laying off workers.

C) deferring maintenance of machinery.

Question #5 of 14

Question ID: 1572973

The inventory-to-sales ratio for manufacturing and trade is classified as a:

A) coincident indicator.

B) lagging indicator.

C) leading indicator.

Question #6 of 14

Question ID: 1572967

As an economic expansion approaches its peak, the economy is *most likely* to show:

A) a decrease in inventory levels.

B) accelerating sales growth.

C) an increase in the inventory-to-sales ratio.

Question #7 of 14

Question ID: 1572965

When the economy enters an expansion phase, the *most likely* effect on external trade is a(n):

A) decrease in exports.

B) increase in exports.

C) increase in imports.

Question #8 of 14

Question ID: 1572968

A firm's *most likely* initial response to a cyclical increase in the inventory-to-sales ratio is to adjust their utilization of labor by:

A) adding new workers.

B) laying off employees.

C) reducing overtime.

Question #9 of 14

Question ID: 1572961

A peak in the business cycle is *most likely* associated with:

A) decreasing inflation pressure.

B) payroll employment turning from positive to negative.

C) the highest level of economic output during the cycle.

Question #10 of 14

Question ID: 1572971

Which of the following economic indicators is classified as a leading indicator for the United States economy?

A) Average duration of unemployment.

B) Index of consumer expectations.

C) Industrial production.

Question #11 of 14

Question ID: 1572970

Increases in firms' inventory-sales ratios are *most likely* to occur:

A) during an economic contraction.

B) just after the trough of the economic cycle.

C) just before a peak in the economic cycle.

Question #12 of 14

Question ID: 1572963

The expansion phase of a business cycle is *most likely* characterized by:

A) increasing employment.

B) decreasing inflationary pressures.

C) the rate of economic growth changing from negative to positive.

Question #13 of 14

Question ID: 1572974

Average weekly initial claims for unemployment insurance are classified as a:

A) lagging indicator.

B) leading indicator.

C) coincident indicator.

Question #14 of 14

Question ID: 1572962

During an economic contraction:

A) inflation pressures are typically decreasing.

B) real GDP growth is greater than its sustainable long-term rate.

C) the unemployment rate typically decreases.