

National Output – Day 7 Questions

Honors Econ 202/Haworth

The questions below are provided to test your understanding of this day's material.

*To receive credit for this assignment, go to Assignments and find the folder entitled Daily Questions. Inside that folder, you'll find a folder entitled Section 1. Once you're in that folder, click on the link that says **National Output-Day 7** and complete the assignment. When you are finished, you may submit. Remember that the deadline for submitting this Day 7 Daily Question assignment is Friday, February 3, at 9:00pm.*

1. Which of the following is deducted from National Income to get Personal Income:
 - a. personal taxes
 - b. transfer payments
 - c. indirect business taxes
 - d. income currently earned, but not yet received
 - e. income received, but not currently earned

2. What is deducted from Gross Investment to get Net Investment:
 - a. income taxes
 - b. depreciation expenditure
 - c. the purchase of all existing shares of stock
 - d. foreign direct investment (i.e. investment from other countries in our country)
 - e. none of the above

3. Which of the following is the best explanation of a transfer payment:
 - a. a transfer payment is money paid to employers who relocate in other areas of the country
 - b. a transfer payment is money paid out as a stock dividend to shareholders
 - c. a transfer payment is income redistributed by government from one individual to another individual
 - d. a transfer payment is the method by which government pays bills for different services

4. What goods are excluded from the calculation of GDP in order to avoid what we called the double counting problem?
 - a. barter transactions
 - b. used goods
 - c. do-it-yourself activities
 - d. goods sold within the underground economy
 - e. intermediate goods