



Faculty of Commerce, Benha University

National Economic Accounts

Level 4

Course Code:

Economics E423

Dr. Walaa Wageh Diab

E-mail: Walaa.dyab@fcom.bu.edu.eg

Tutorial 1

1. The System of National Accounts (SNA) is a nationally accepted set of guidelines for the compilation of national accounts.
(A) True (B) False
2. **1993 SNA was released under the auspices of which of the following organisations:**
(A) (Eurostat), IMF
(B) UN & World Bank
(C) (OECD), UN & World Bank
(D) Eurostat, IMF, OECD), UN & World Bank
3. **Intangible produced asset** is now called.....
(A) intellectual property products
(B) Final Products
(C) un Tangible Assets
(D) None of the above
4. **Egypt currently implements the 1993 SNA**
(A) True (B) False
5. **National accounting's modern era could be said to have started in 1968, but the detailed international guidelines for the SNA was published by the United Nations Statistical Office in 1993.**
(A) True (B) False
6. **In a simple circular-flow diagram, total income and total expenditure are**
(A) . never equal because total income always exceeds total expenditure
(B) seldom equal because of the ongoing changes in an economy's unemployment rate.
(C) equal only when the government purchases no goods or services.
(D) always equal because every transaction has a buyer and a seller.



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9. **A nation's gross domestic product (GDP):**
- A) is the dollar value of the total output produced within the borders of the nation.
 - B) is the dollar value of the total output produced by its citizens, regardless of where they are living.
 - C) can be found by summing $C + I + S + X_n$.
 - D) is always some amount less than its $C + I + G + X_n$.
10. **GDP includes:**
- A) neither intermediate nor final goods.
 - B) intermediate, but not final, goods.
 - C) both intermediate and final goods.
 - D) final, but not intermediate, goods.
11. **National income accountants can avoid multiple counting by:**
- A) including transfers in their calculations.
 - C) only counting final goods.
 - B) counting both intermediate and final goods.
 - D) only counting intermediate goods.
12. **If intermediate goods and services were included in GDP:**
- A) the GDP would then have to be deflated for changes in the price level.
 - B) nominal GDP would exceed real GDP.
 - C) the GDP would be overstated.
 - D) the GDP would be understated.
13. **GDP differs from NDP in that:**
- A) GDP is based on gross exports, while NDP is based on net exports.
 - B) GDP includes, but NDP excludes, indirect business taxes.
 - C) net investment is used in calculating GDP and gross investment is used in calculating NDP.



D) gross investment is used in calculating GDP and net investment is used in calculating NDP.

14. **Setup Corporation buys \$100,000 of sand, rock, and cement to produce redi-mix concrete. It sells 10,000 cubic yards of concrete at \$30 a cubic yard. The value added by Setup Corporation is:**

A) \$300,000. B) \$100,000. C) \$200,000. D) zero dollars.

15. **Real GDP is obtained by.....**

- A) Open Hint for Question 12 in a new window.
- B) Nominal GDP multiplied by price level.
- C) Nominal GDP minus GDP deflator.
- D) Nominal GDP divided by GDP deflator.

16. **If an economy's GDP falls, then it must be the case that the economy's**

- (A) income falls and saving rises.
- (B) income and saving both fall
- (C) income falls and expenditure rises
- (D) income and expenditure both fall.

17. **In a simple circular-flow diagram, total income and total expenditure are**

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- (B) seldom equal because of the ongoing changes in an economy's unemployment rate.
- (C) equal only when the government purchases no goods or services.
- (D) always equal because every transaction has a buyer and a seller.

Answer: D

40. **Most goods and services produced at home.....**

- (A) and most goods and services produced illegally are included in GDP.
- (B) are included in GDP while most goods and services produced illegally are excluded from GDP.
- (C) are excluded from GDP while most goods and services produced illegally are included in GDP
- (D) and most goods and services produced illegally are excluded from GDP.

41. **Michigan Tea Company sold \$15 million worth of tea it produced. In producing this tea it purchased \$5 million dollars worth of ingredients from foreign countries and paid workers who reside in Canada but commute to the U.S. \$1 million. How much did these transactions add to U.S. GDP?**

(A) \$21 million. (B) \$15 million (C) \$10 million (D) \$9 million

42. **What word do economists use to refer to the purchase of goods that will be used in the future to produce more goods and services?**

(A) capital. (B) consumption (C) investment (D) costs



43. **The GDP deflator for years subsequent to the base year measures the change in.....**
- (A) nominal GDP from the base year that cannot be attributable to a change in real GDP.
 - (B) real GDP from the base year that cannot be attributable to a change in nominal GDP
 - (C) nominal GDP from the base year that cannot be attributable to a change in prices.
 - (D) real GDP from the base year that cannot be attributable to a change in prices
44. **If real GDP doubles and the GDP deflator doubles, then nominal GDP.....**
- (A) remains constant.
 - (B) doubles.
 - (C) triples.
 - (D) quadruples.
45. **If in some year nominal GDP was \$18 billion and the GDP deflator was 120, what was real GDP?**
- (A) \$6.7 billion.
 - (B) \$15 billion.
 - (C) \$21.6 billion
 - (D) \$38 billion
46. **If in some years nominal GDP was \$28 trillion and real GDP was \$32 trillion, what was the GDP deflator?**
- (A) 87.5
 - (B) 114.3
 - (C) 400
 - (D) 896
47. **Suppose an economy produces only eggs and ham. In 2009, 100 dozen eggs are sold at \$3 per dozen and 50 pounds of ham was sold at \$4 per pound. In 2010, the base year, eggs sold at \$1.50 per dozen and ham sold at \$5 per pound. For 2009,.....**
- (A) nominal GDP is \$400, real GDP is \$500, and the GDP deflator is 80.
 - (B) nominal GDP is \$400, real GDP is \$500, and the GDP deflator is 125.
 - (C) nominal GDP is \$500, real GDP is \$400, and the GDP deflator is 80.
 - (D) nominal GDP is \$500, real GDP is \$400, and the GDP deflator is 125.