

Economics Final Exam Essay Questions

Answer each of the following questions (pick 5) with at least a 1/2 page response and make sure to support your answer with examples. Each question is worth 20 pts. Must be typed.....

Question 1

Assess the current strength of the United States Economy. Explain your answer using economic terms such as gross domestic product, unemployment, inflation, and trade deficit to support your answer.

Question 2

“Financial insecurity is primarily the result of choices we make rather than the incomes we earn”. Do you agree or disagree? Explain using examples from your personal life and the experiences of others.

Question 3

Identify how your life is and will be impacted by the global economy. Give at least three examples of this. Identify how you can use comparative advantages to help you live in this type of economy.

Question 4

Evaluate the statement: “Production should be for people and not for profit.” Think about the following in formulating your answer:

- If production is profitable, are consumers helped or hurt?
- Would consumers be helped more if production resulted in a loss?
- To what extent is there a conflict between the incentives of producers and the incentives of consumers?

Question 5

Do you agree or disagree with the following quote: "...if you want to earn a high income, you had better figure out how to help others a great deal. To put that another way, if you are unable or unwilling to help others, your income will be low." Is this true? Can you think of anyone with substantial earnings who does not provide a valuable good or service to others?

Question 6

"The United States is rich because it is a democratic nation." Is this statement true? Discuss....explain....support your answer.

Question 7

"The personal income and payroll taxes are already too high. I think business should shoulder a larger share of the tax burden." Have you ever heard a politician make a statement like this? Does the statement reflect sound economics? Why or why not?

Question 8

Do elected political officials like to spend on projects that benefit their constituents? Do they like to levy taxes on their constituents? How do these tendencies influence the incentive of politicians to balance the government's budget?