# Economic Concepts

For each of the following statements, identify if it refers to a macroeconomics or a microeconomics concept.

 1. The unemployment rate is holding steady at 7.2%.

 2. Congress should lower taxes to allow consumers to keep more of their income.

 3. Colleges should lower the tuition for freshmen and sophomores.

 4. The price of cars is rising in spite of a recent recession.

 5. Increases in personal tax rates hurts middleclass workers.

 6. Microsoft will be sending one million tablets to Germany.

For each of the following statements, identify if it refers to a positive or a normative economics statement.

 1. The high school should allocate more parking spaces to seniors.

 2. The unemployment rate is holding steady at 7.2%

 3. Colleges should lower the tuition for freshmen and sophomores.

 4. Generally, if stores lowered product prices, more people would buy the products.

 5. Movie prices should increase by 5% this year.

 6. College athletes should be paid for their participation.

 7. How much should colleges pay athletes for their participation?

 8. An average electric bill for a family of 4 is $325/month.

 9. More people should vote in local elections.

 10. High schools should begin classes later in the day.

# Economic Concepts Answer Key

For each of the following statements, identify if it refers to a macroeconomics or a microeconomics concept.

Macro

 1. The unemployment rate is holding steady at 7.2%.

Macro

Micro

1. Congress should lower taxes to allow consumers to keep more of their income.

 3. Colleges should lower the tuition for freshmen and sophomores.

Micro

Macro Micro

1. The price of cars is rising in spite of a recent recession.
2. Increases in personal tax rates hurts middleclass workers.
3. Microsoft will be sending one million tablets to Germany.

For each of the following statements, identify if it refers to a positive or a normative economics statement.

Normative

 1. The high school should allocate more parking spaces to seniors.

Positive

 2. The unemployment rate is holding steady at 7.2%

Normative Positive

Positive Normative Normative

1. Colleges should lower the tuition for freshmen and sophomores.
2. Generally, if stores lowered product prices, more people would buy the products.
3. Movie prices will increase by 5% this year.
4. College athletes should be paid for their participation.
5. How much should colleges pay athletes for their participation?

 Positive 8. An average electric bill for a family of 4 is $325/month.

 Normative 9. More people should vote in local elections.

 Normative 10. High schools should begin classes later in the day.