

Name:

QUIZ 1: Econ 4, Section 2

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Please answer the following 12 questions for 50 points. Be as BRIEF as you can. You have 40 minutes.

1. (3 points) State one reason why the most popular price indices such as the CPI (Consumer Price Index) or the GDP Deflator mismeasure inflation?
2. (2 points) What is the difference between a Laspeyres and Paasche price index.
3. (3 points) What is the GDP Deflator and what type of index is it?
4. (12 points) Enumerate Kaldor's Growth Facts (these are facts within one country not across countries).

