

## Macro Module 13 Real GDP per capita practice exam questions

(The attached PDF file has better formatting.)

- The nominal money supply *increases* 2.13%
- The price level *increases* 5.82%
- The population *decreases* 0.81%

Money transaction costs do not change, so the real demand for money is proportional to real GDP.

Question 13.1: Real GDP

What is the change in real GDP?

Answer 13.1:  $2.13\% - 5.82\% = -3.69\%$

(percentage change in nominal money supply – percentage change in price level = percentage change in real money supply = percentage change in demand for money = percentage change in real GDP)

Question 13.2: Real GDP per capita

What is the change in real GDP per capita?

Answer 13.2:  $-3.69\% - 0.81\% = -2.88\%$

(percentage change in real GDP – percentage change in population = percentage change in real GDP per capita)