

<p><b>HOCHSCHULE PFORZHEIM</b></p> <p>– <b>Faculty of Economics and Law</b> –</p> <p><b>- Written Examination Example -</b></p>	
<b>Department: Economics</b>	
<b>Subject: Macroeconomics (Bachelor)</b>	<b>Semester:</b>
	<b>Date:</b>
<b>Examinant:</b>	<b>Prof. Dr. Rainer Maurer</b>
<b>Time:</b>	<b>60 Minutes</b>
<b>Auxiliary Means:</b>	<b>Dictionary, Non-Programmable Calculator</b>

**Notes:**

(1) Please check the number of sheets and questions for completeness. You should find 7 questions and 6 sheets (inclusive the front page).

(2) Please use these sheets to answer the questions. **If you need more space, use the back of the preceding page!** Should these not be sufficient, use additional sheets and staple them at the end. Please take care for a correct numbering of all additional sheets.

(3) A correct answer yields the number of points noticed in the side column of each question. To pass the examination 50% of all available points have to be reached (= 30 Points).

(4) Please give complete and comprehensible answers. Illegible answers cannot be accepted.

(5) If you use charts, please take care for a complete labeling.

**Name:** \_\_\_\_\_

**Matriculation-Number:** \_\_\_\_\_

**Result:** \_\_\_\_\_

<p>1. Explain the different ways Gross Value Added (=contribution to Gross Domestic Product) of firms, government and private households is calculated.</p> <p><b><i>For the sample solution refer to the German version of this examination example available on my homepage.</i></b></p>	3	
<p>2. The German GDP of the year 2006 was equal to 2309 Bn. Euro. In the year 2005 it was equal to 2241 Bn. Euro. The real GDP growth rate from the year 2005 to the year 2006 was 2.8 %. Find the inflation rate from the year 2005 to the year 2006.</p>	4	

<p>3. What consequences has a decrease of investment demand under the assumptions of the neoclassical Model? Explicate the complete causal chain.</p>	4	
<p>4. Start with a situation where all markets are in equilibrium. Explain the adjustment process that results under the assumptions of the neoclassical model, when the government increases government consumption financed by an increase of household taxes. What are the long-run consequences of this policy?</p>	14	

5. Start with a situation with Keynesian unemployment (=recession). Explain the adjustment process that results under the assumptions of the Keynesian model in the short-run, when the central bank increases money supply.

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6. Explain how Insider-Outsider Unemployment can emerge.

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7. a) Explain how and why deposit money creation of commercial banks is possible.
- b) Explain how the trend towards an increasing share of cashless payments affects the potential of commercial banks to create deposit money. What can a central bank do to offset the consequences of this trend?

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