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

**Quiz Practice**

1. Percentage of income by quintile (20%) of population.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country** | **Poorest 20%** | **Second 20%** | **Third 20%** | **Fourth 20%** | **Richest 20%** |
| Country A | 3.8% | 8.1% | 12.4% | 19.3% | 56.4% |
| Country B | 9.1% | 12.8% | 16.3% | 21.3% | 40.5% |

Graph the data for the Country A and Country B on a Lorenz curve.

1. Two countries have GINI coefficients as follows:

* Country C = 0.18
* Country D = 0.48

Which country has a more equal distribution of income?

**3. U.S. Economics History**

“Three decades ago, in a bleak stretch of the 1970s, an economic phenomenon emerged that was as ugly as its name: stagflation. It was the sound of the world hitting a wall, a combination of no growth and inflation. It created a crisis for the global economy, all caused by the rising price of oil.”

Draw a shifting AD/AS diagram to show what must be happening to cause stagflation (negative growth and inflation).

**4. News From Today**

“The IMF has raised its forecast for Armenian GDP growth to 2.9% in 2017. At the same time, according to IMF estimates, Armenian inflation will accelerate to reach 2% by the end of the year.”

Draw a shifting AD/AS diagram to show what must be happening to cause this growth and inflation in Armenia.