

Remind: @phuecon20
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Welcome back to Economics Club!

3/31/2021 General Meeting

Today's Agenda

- Team Activity System Reminders
- National Economics Challenge Logistics
- NEC Resources
- Multipliers
- Go over some quiz questions
- Review!

Team Activity System - Reminders

- Google drive folders have been shared with your team
- All activities should be completed within the folder so that we can keep track of participation
 - For summaries, etc., simply create a new Google Doc and title it with whatever activity you're completing!
- The team that collects the most coins from now until the 1st round of the NEC will receive special prizes!
- For members who are not competing in the NEC: we have put you into teams as well so that you can participate in this activity system!

Team Activity System

- Every 2 weeks (after each general meeting), we will create a google doc with questions from previous NEC tests in your team's drive. By completing a quiz, your team will receive 30 coins, and for **each** question that is correct, 2 more coins will be awarded.
- Additional activities can be completed (see below) for coins! These activities should be uploaded/completed through your team's google drive.
- By the beginning of the competition (around 2 months later), the team with the largest number of coins will receive a special prize!

Activity

Coins

Activity	Coins
Watch 1 Crash Course Economics Video & write a paragraph summary.	20
Watch 1 Jacob Clifford ACDC Econ Video & write a summary.	10
Complete Bi-weekly Quiz as a team (15 Questions).	30; +2 more coins for each Q correct - 60 points possible (total)
Create Flashcards on an economics topic through Quizlet.	40
Read a book about economics and write a summary w/ title of the book.	50
Read an news article about real world economics/current events and write a short summary.	30

*Note: Additional activities may be added later.

National Economics Challenge Logistics

- We are officially registered!
 - 6 David Ricardo Teams & 2 Adam Smith Teams
- Currently, team names are Hurricanes [Smith/Ricardo] Team #[your team #]
 - If your team wants a different name, please text us through the Remind!
- Our club will be taking the test on **April 17, 2021 (Saturday) at 1pm (the 3-hour period ends at 4pm - but you don't have to stay the entire time!)**.
 - Each team member takes the test INDIVIDUALLY (35 minute test).
 - Once one team member starts the test, the rest of the team gets 3 hours to complete their portion (the 35 minute test).
 - The team's score will be the sum of the top 3 team members' scores.
- If your team advances, you will be notified on 4/28 or shortly after!

National Economics Challenge Resources

- **Jacob Clifford's YouTube Channel:**
<https://www.youtube.com/channel/UCCQEbqDL8i40d83Au55IYMQ>
- **Crash Course Economics:**
https://www.youtube.com/watch?v=3ez10ADR_gM&list=PL1oDmcs0xTD-dJN1PL2N1urXOEKupBJCQ
- **Link to some practice tests:**
 - <https://www.councilforeconed.org/archived-tests/>
 - <https://drive.google.com/drive/folders/1op3NEcINlc-FIdoePOYi8nICTX4I8DQC>
- **One online practice test:**
<https://econchallenge.unl.edu/District%20of%20Columbia/Practice>
- **Google "FBLA Economics Practice Questions"**
- **Google "National Economics Challenge" to learn more!**

Quiz Questions - AS

5. Which of the following would not be included in this year's GDP calculation:

- A. Amazon builds a new headquarters.
- B. California spends \$50 billion to clean up after last year's fires.
- C. Your teacher takes a well-deserved vacation this summer.
- D. The Getty Museum purchases a Picasso painting for its collection.

2. In which market structure is it possible to earn an economic profit in the short-run?

- A. Pure competition
- B. Monopolistic competition
- C. Oligopoly
- D. All of the above

AS Macro #5

AS Micro #2

2. With an increase in income in the US, we can expect travel to Europe to increase. If this occurs, ceteris paribus, how will this affect the US Dollar and the Euro?

- | <u>US Dollar</u> | <u>Euro</u> |
|------------------|-------------|
| A. Appreciate | Depreciate |
| B. Depreciate | Depreciate |
| C. Appreciate | Appreciate |
| D. Depreciate | Appreciate |

AS Int. & Cur. Events #2

Quiz Questions - DR

2. Thinking like an economist, when making a decision, can be reduced to comparing:

- A. Average total costs with average total benefits.
- B. Average variable costs and average variable benefits.
- C. Marginal benefits and marginal costs.
- D. Opportunity costs and opportunity benefits.

DR Micro #2

3. Which of the following would incentivize a US company to outsource to a foreign supplier?

- A. Lower wages in the foreign country
- B. Lower worker productivity in the foreign country
- C. Lower wages per unit of output in the foreign country
- D. Lower government subsidies in the foreign country

DR Int. & Cur #3

2. Which of the following would be part of the labor force?

- A. A 15 year old with a paper route.
- B. A discouraged worker.
- C. A worker who gets laid off, and immediately starts looking for a new job.
- D. A parent who stays home to take care of their child full-time.

DR Macro #2

Expenditures Multiplier

- When the government spends money, it becomes someone's income and they save a portion of that and spend the rest. That spending becomes someone else's income and it keeps going.
- Example: If you have \$100 and spend \$75 and save \$25:
 - Marginal Propensity to consume (MPC) = 0.75
 - Marginal Propensity to save (MPS) = 0.25
- $MPC + MPS = 1$
- Simple spending multiplier = $1/MPS$
- If $MPC = 0.5$ and $MPS = 0.5$, $1/MPS = 1/0.5 = 2$
- If the government increases spending by 2 billion dollars that will eventually become 4 billion dollars of total spending.

Tax Multiplier

- Tax multiplier- aids in calculating the change in GDP when taxes change.
- Tax multiplier is calculated with: - Marginal Propensity to Consume/ Marginal Propensity to Save OR the change in GDP/ the change in Taxes.
- Note that: Tax multiplier x the change in taxes = change in GDP
- The Tax multiplier is always less than the expenditure multiplier
- Ex. Taxes are decreased by \$100 million, MPC = 0.9, what is the tax multiplier?
- $-MPC/MPS \implies -0.9/0.1$ (MPS = 0.1 since MPC + MPS = 1) \implies Tax multiplier = -9, however we take the absolute value of the tax multiplier most of the time so it is equal to 9.
- Tax multiplier x change in taxes = 9 x \$100 million, so change in GDP = \$900 million.

MPC	Tax Multiplier	Expenditures Multiplier
0.9	9	10
0.8	4	5
0.75	3	4
0.5	1	2

← Commonly used tax/expenditures multipliers and corresponding MPC

NEARPOD GAME!!

- The winner will receive an extra membership point!

Reminders

- Remember to complete your team quizzes (#4) before next meeting (last meeting before the NEC)!
- Do activities from the activity system!
- National Economics Challenge will be on **April 17th at 1pm.**

Thank you for coming!

Questions?

Suggestions?

Comments?

Concerns?

Website: phuhseconomics.weebly.com

BE SURE TO JOIN OUR REMIND!!!
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NEXT MEETING: 4/14/2021 via Teams