

Chapter 1 Web-Based Activities with Answers

Web Activity 1

Log on to www.cia.gov. Under Quick Links, select “World Factbook,” then select “Korea, North,” and expand “Economy” to find the CIA’s most recent estimate for GDP in North Korea. Based upon the information found at this site, answer these questions.

1. What is the value of North Korea’s total output?
2. How much more “butter” could North Korea produce if it reduced the military share of its output from 14 percent to 6 percent?

Answer: North Korea’s total output in 2009 was estimated to be \$40 billion. If current military spending represents 14 percent of total GDP, then military spending was approximately \$5.6 billion. If North Korea reduces its military production to 6 percent of GDP, then it would be able to produce \$3.2 billion more “butter.”

Web Activity 2

Log on to The Bureau of Economic Analysis: <http://www.bea.gov>. Using the information from available links, identify and describe the latest estimates for:

- a) Real GDP
- b) Personal Income
- c) International Trade in Goods and Services
- d) US International Transactions

Answer: Values for a) to d) will change according to current information at the web address provided.

Web Activity 3

Do economists have a sense of humor? Check it out at “Jokes about Economists and Economics” <http://netec.wustl.edu/JokEc.html>.

Answer: N/A