

2016

# Appendix to "Reshaped for Higher Order Learning: Student Outcomes in the Redesign of an Undergraduate Macroeconomics Course"

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## Recommended Citation

Josephson, Anna; Nelson, Dave; DEBOER, LAWRENCE; and Zissimopoulos, Angelika, "Appendix to "Reshaped for Higher Order Learning: Student Outcomes in the Redesign of an Undergraduate Macroeconomics Course"" (2016). *Department of Agricultural Economics Supplemental Materials*. Paper 1.

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**Online Appendix to accompany:**  
Reshaped for Higher Order Learning:  
Student Outcomes in the Redesign of an Undergraduate Macroeconomics Course

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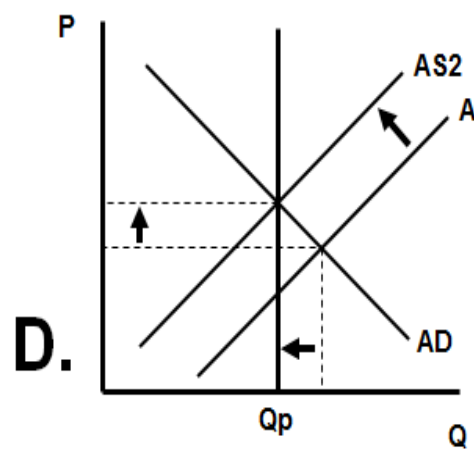
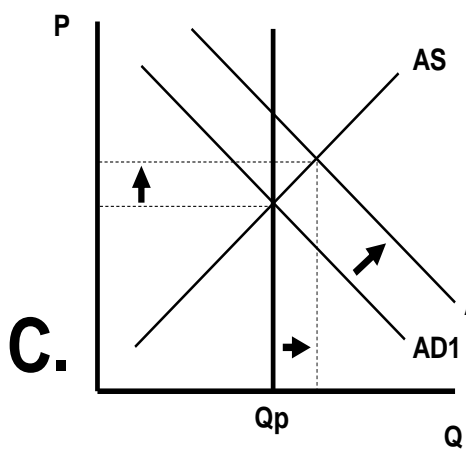
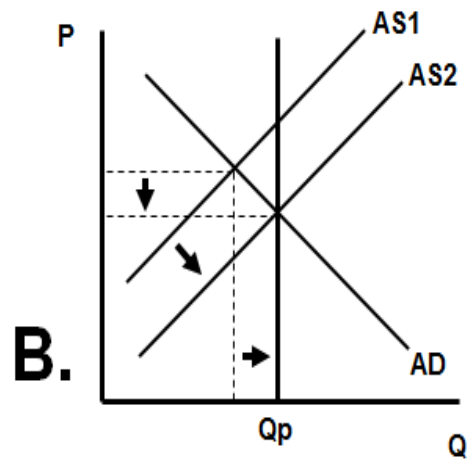
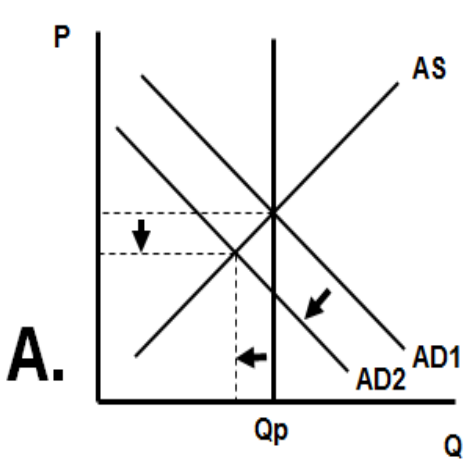
## APPENDIX

A. Table 1: Questions used in Analysis

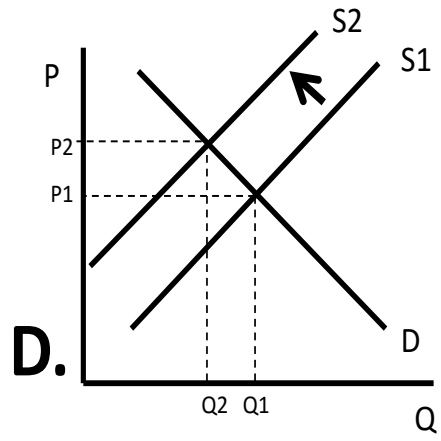
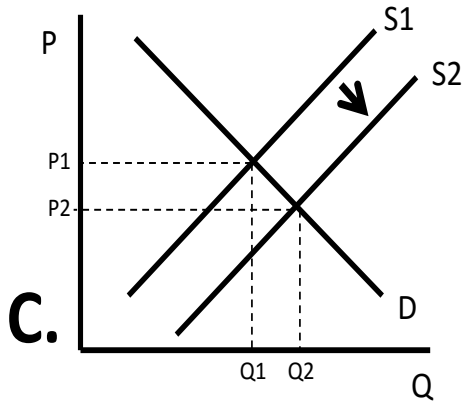
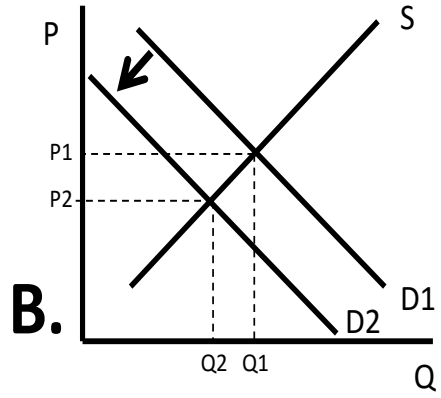
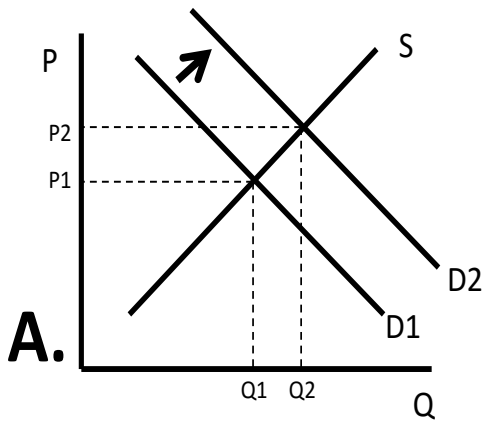
Question	Semester Included	Question Wording
10	F12, F14	<p>After World War II, the U.S. Treasury effectively controlled monetary policy. They did this by:</p> <ol style="list-style-type: none"> <li>setting the interest rates on Treasury bonds, then requiring the Federal Reserve to adjust the money supply to reach those interest rates.</li> <li>setting income tax rates, then requiring the Federal Reserve to adjust the money supply to reach income tax revenue targets.</li> <li>setting the exchange rate of the dollar, then requiring the Federal Reserve to adjust the supply of the dollar in exchange markets to reach that exchange rate.</li> <li>assigning General Patton and the Third Armored Division to surround the Federal Reserve's headquarters with tanks.</li> </ol> <p>CORRECT ANSWER: A</p>
11	S12, F12, F13, S14	<p>Among the causes of the "Great Moderation" of the 1980's, 1990's and 2000's were:</p> <ol style="list-style-type: none"> <li>the stimulating effect of the Vietnam, Gulf and Iraq wars, the collapse of savings and loans, and the pro-cyclical monetary policy of the Federal Reserve.</li> <li>the Plaza Accord, which stabilized exchange rates, the absence of major stock market fluctuations, and the pro-cyclical fiscal policy of the U.S. Congress.</li> <li>the absence of big wars or supply shocks, improved inventory control by businesses, and counter-cyclical monetary policy by the Federal Reserve.</li> <li>the widespread adoption of beige for interior decorating, the invention of the mini-van, and the daily broadcast of the Mr. Rogers television show.</li> </ol> <p>CORRECT ANSWER: C</p>
12	S12, F12, F13, S14, F14	<p>Among the causes of the Great Depression were:</p> <ol style="list-style-type: none"> <li>uncertainty surrounding World War II, crowding out of private investment and increased welfare spending.</li> <li>the U.S. abandoned the gold standard, banks depleted the deposit insurance fund, and big interest rate cuts by the Federal Reserve.</li> <li>a large tax hike, bank failures and the Federal Reserve's failure to cut interest rates substantially.</li> <li>counter-cyclical monetary policy, big defense spending increases, and the death of Herbert Hoover.</li> </ol> <p>CORRECT ANSWER: C</p>
34	F12, F13, F14	<p>During the 1970's OPEC oil producers cut their crude oil exports, which increased oil prices. Which diagram shows the results of this restriction?</p> <p>SEE GOODS MARKET DIAGRAM</p> <p>CORRECT ANSWER: D</p>

53	F12, F13	<p>If the opportunity cost of butter in Argentina is 2 guns, and the opportunity cost of butter in Zambia is 4 guns, then:</p> <ol style="list-style-type: none"> <li>world resources are allocated more efficiently if Zambia exports butter to Argentina and Argentina exports guns to Zambia.</li> <li>world resources are allocated more efficiently if Zambia exports guns to Argentina and Argentina exports butter to Zambia.</li> <li>world resources are allocated more efficiently if Zambia exports guns and butter to Argentina, and Argentina does not export to Zambia.</li> <li>world resources are allocated more efficiently if Zambia does not export to Argentina, and Argentina exports guns and butter to Zambia.</li> </ol> <p>CORRECT ANSWER: A</p>
75	F12, F13	<p>In the Plaza Accord of 1985, representatives of five countries with large economies decided to:</p> <ol style="list-style-type: none"> <li>prevent their central banks from making monetary policy, so their Treasury Departments could fix interest rates on government bonds.</li> <li>sell dollars in exchange markets, to bring down the exchange value of the dollar and help reduce the U.S. trade deficit.</li> <li>buy dollars in exchange markets, to support the exchange value of the dollar and help reduce the U.S. trade deficit.</li> <li>allow their central banks to make monetary policy, by forcing their Treasury Departments to stop fixing interest rates on government bonds.</li> </ol> <p>CORRECT ANSWER: B</p>
98	S12, F12, F13	<p>Suppose in a market, supply increases and the quantity demanded increases. Which of the following could be true?</p> <ol style="list-style-type: none"> <li>The price of a substitute increased, so equilibrium price fell and equilibrium quantity increased.</li> <li>Consumer incomes increased, so equilibrium price and quantity increased.</li> <li>Technology improved, so equilibrium price fell and equilibrium quantity increased.</li> <li>Input costs increased, so equilibrium price increased and equilibrium quantity decreased.</li> </ol> <p>CORRECT ANSWER: C</p>
100	F12, F13, S14, F14	<p>Suppose property taxes are one of the costs of providing rental housing. Which of the above diagrams describes what will happen in the market for rental housing,</p> <p>SEE SUPPLY AND DEMAND DIAGRAM</p> <p>CORRECT ANSWER: D</p>
101	F12, F13, S14, F14	<p>Suppose recovery raises the incomes of consumers. Which of the above diagrams describes what will happen in the market for ramen noodles which is an inferior good.</p> <p>SEE SUPPLY AND DEMAND DIAGRAM</p> <p>CORRECT ANSWER: B</p>

106	F12, F13, S14	Suppose the price of crude oil decreases. Which of the above diagrams shows what is likely to happen in the market for gasoline?
SEE SUPPLY AND DEMAND DIAGRAM		
CORRECT ANSWER: C		
112	S12, F14	The “Great Inflation” of the 1960’s and 1970’s got its start when: <ul style="list-style-type: none"> <li>a. President Dwight Eisenhower refused to let his Vice President, Richard Nixon, push for tax cuts to head off a recession in 1960.</li> <li>b. President John Kennedy and Defense Secretary Robert McNamara increased taxes to pay for added military spending during the Berlin crisis in 1961.</li> <li>c. President Lyndon Johnson made a deal with Federal Reserve Chair William McChesney Martin to keep interest rates low, but failed to get a tax hike through Congress until 1968.</li> <li>d. President Richard Nixon and Federal Reserve Chair Arthur Burns dismantled the price controls which the Johnson administration had imposed to stop Vietnam-era inflation.</li> </ul>
CORRECT ANSWER: C		
156	F12, F13, S14	The year 2008 saw falling home prices, falling stock market values, reduced lending by banks, and a higher value of the dollar. Which diagram best represents this:
SEE GOODS MARKET DIAGRAM		
CORRECT ANSWER: A		
160	F12, F13, S14, F14	Three ways to equilibrate the exchange market are: <ul style="list-style-type: none"> <li>a. adjustments to the price of gold, the price of silver, and the ratio between the two.</li> <li>b. changes in tariffs, changes in quotas, and changes in administrative procedures at ports.</li> <li>c. adjustments in fiscal and monetary policy, capital controls, and flexible exchange rates.</li> <li>d. changes in open market operations, the discount rate, and the required reserve ratio.</li> </ul>
CORRECT ANSWER: C		



**GOODS MARKET DIAGRAM**



**SUPPLY AND DEMAND DIAGRAM**