

Exploring Macroeconomics Basics

Macroeconomics · Answer Key · 12 Questions

1. What is the total value of all goods and services produced in a country in a year called?

A) National Debt

B) Gross Domestic Product (GDP)

C) Consumer Price Index (CPI)

D) Inflation Rate

2. When prices for most goods and services go up over time, what is this called?

A) Deflation

B) Recession

C) Inflation

D) Depreciation

3. What is the name for a widespread slowdown in economic activity in a country?

A) Boom

B) Expansion

C) Recession

D) Prosperity

4. What is the main role of a central bank, like the Reserve Bank of Australia (RBA)?

A) To build roads and bridges

B) To manage the country's money supply and interest rates

C) To run the country's schools

D) To make laws for businesses

5. When people have jobs and are able to buy things, this is part of a healthy what?

A) Economy

B) Government

C) Environment

D) Society

6. What is the term for the total amount of money owed by a government to others?

A) Gross Domestic Product

B) National Budget

C) National Debt

D) Trade Balance

7. What does a country import?

- A) Goods and services it sells to other countries
- B) Goods and services it buys from other countries**
- C) Money it prints
- D) New inventions

8. What does a country export?

- A) Goods and services it buys from other countries
- B) Goods and services it sells to other countries**
- C) Money it borrows
- D) New buildings

9. What is the main purpose of taxes for a government?

- A) To give money to businesses
- B) To pay for public services like schools and roads**
- C) To buy foreign countries
- D) To give everyone a holiday

10. What is the term for the value of money in one country compared to the value of money in another country?

- A) Interest Rate
- B) Inflation
- C) Exchange Rate**
- D) GDP Growth

11. When a country produces more goods and services than it consumes, it has a surplus in its what?

- A) National Debt
- B) Trade Balance**
- C) Unemployment Rate
- D) Tax Revenue

12. What is the name for the percentage of people in a country who are looking for a job but cannot find one?

- A) Employment Rate
- B) Inflation Rate
- C) Unemployment Rate**
- D) Interest Rate