

Exploring Macroeconomics Basics

Macroeconomics · Practice Test · 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