

Macroeconomics Fundamentals Quiz

Macroeconomics · Practice Test · 15 Questions

1. What is the primary measure of a country's total economic output?

- A) Consumer Price Index (CPI)
- B) Gross Domestic Product (GDP)
- C) Unemployment Rate
- D) Inflation Rate

2. Which of the following is a fiscal policy tool used by governments?

- A) Changing interest rates
- B) Buying and selling government bonds
- C) Adjusting government spending
- D) Managing exchange rates

3. Inflation is generally defined as:

- A) A decrease in the overall price level
- B) A sustained increase in the overall price level
- C) A decrease in the unemployment rate
- D) An increase in economic growth

4. Which institution in Australia is responsible for setting the official interest rate?

- A) The Treasury
- B) The Reserve Bank of Australia (RBA)
- C) The Australian Bureau of Statistics (ABS)
- D) The Australian Competition and Consumer Commission (ACCC)

5. What does the unemployment rate measure?

- A) The percentage of the population that is employed
- B) The percentage of the labor force that is actively seeking employment but unable to find it
- C) The percentage of the population that is retired
- D) The percentage of jobs that are part-time

6. Which of the following represents a key component of aggregate demand?

- A) Imports
- B) Taxes
- C) Government purchases
- D) Savings

7. A trade deficit occurs when:

- A) A country exports more goods and services than it imports
- B) A country imports more goods and services than it exports
- C) A country's national debt is increasing
- D) A country's currency is appreciating

8. What is a recession characterized by?

- A) A sustained period of strong economic growth
- B) A significant decline in economic activity spread across the economy
- C) A rapid increase in inflation
- D) A decrease in the national debt

9. Which of these is an example of monetary policy?

- A) Building a new highway
- B) Increasing unemployment benefits
- C) Lowering taxes
- D) Changing the reserve requirements for banks

10. What is the main function of a central bank?

- A) To collect taxes
- B) To regulate individual businesses
- C) To control the money supply and influence interest rates
- D) To print all physical currency

11. What does the Consumer Price Index (CPI) measure?

- A) The average price of a basket of goods and services purchased by households
- B) The total value of all manufactured goods
- C) The number of new businesses created
- D) The level of government debt

12. Economic growth is typically measured by the percentage change in:

- A) Unemployment rate
- B) Inflation rate
- C) Gross Domestic Product (GDP)
- D) National debt

13. A budget surplus occurs when:

- A) Government spending exceeds government revenue
- B) Government revenue exceeds government spending
- C) The national debt is zero
- D) Inflation is negative

14. What is the primary goal of fiscal policy?

- A) To control the money supply
- B) To stabilize the economy and promote growth
- C) To manage international trade agreements
- D) To regulate the stock market

15. Which factor is considered a determinant of aggregate supply?

- A) Consumer confidence
- B) Government spending
- C) The cost of production (e.g., wages, raw materials)
- D) Interest rates