Exploring Australia's Economy

Macroeconomics · Answer Key · 20 Questions

1. What is the name of the total value of all goods and services produced in Australia in a year, often used to measure the size of the economy?

A) Gross Domestic Product (GDP)
B) Net National Product (NNP)
C) Gross National Product (GNP)
D) Economic Growth Rate (EGR)

2. What is the main goal of the Reserve Bank of Australia (RBA) when it sets the official interest rate?

A) To keep inflation low and stable
B) To make borrowing money cheaper for everyone
C) To encourage businesses to spend more
D) To increase the value of the Australian dollar

3. When prices for many things in Australia go up over time, this is called:

A) Inflation
B) Deflation
C) Recession
D) Stagflation

4. Which of these is the largest contributor to Australia's Gross Domestic Product (GDP)?

A) Services (like healthcare, education, and finance)
B) Mining and resources
C) Manufacturing
D) Agriculture

5. What does 'unemployment rate' measure in Australia?

A) The percentage of people who are looking for a job but can't find one
B) The number of people who have stopped looking for work
C) The number of jobs available in the country
D) The average time it takes to find a new job

6. When the Australian government spends more money than it collects in taxes, it creates a:

A) Budget deficit
B) Budget surplus
C) National debt
D) Trade balance

7. What is the main way the Australian government collects money to pay for public services like schools and hospitals?

A) Taxes
B) Borrowing from other countries
C) Selling government-owned assets
D) Printing more money

8. If Australia exports more goods and services than it imports, it has a:

A) Trade surplus
B) Trade deficit
C) Balanced trade
D) Current account deficit

9. What is the term for the total amount of money that all Australians owe to others, including loans and credit card debt?

A) Household debt
B) Government debt
C) Corporate debt
D) Foreign debt

10. What is the primary role of the Australian Bureau of Statistics (ABS)?

A) To collect and publish statistics about Australia, including economic data
B) To set the country's interest rates
C) To manage the nation's foreign currency reserves
D) To oversee trade agreements with other countries

11. When the Australian economy grows at a fast pace, what usually happens to the number of jobs available?

A) It generally increases
B) It generally decreases
C) It stays the same
D) It becomes harder to find jobs

12. What is the main economic indicator used to understand the average income per person in Australia?

A) GDP per capita
B) Total GDP
C) Inflation rate
D) Unemployment rate

13. If the Australian dollar's value decreases compared to other currencies, what usually happens to Australian goods?

A) They become cheaper for people in other countries to buy
B) They become more expensive for people in other countries to buy
C) Their price stays the same
D) They become unavailable to other countries

14. What is the term for the total value of goods and services produced by Australians, whether they are in Australia or overseas?

A) Gross National Product (GNP)
B) Gross Domestic Product (GDP)
C) Net National Product (NNP)
D) Economic Value Added (EVA)

15. When the Reserve Bank of Australia (RBA) wants to slow down the economy and reduce inflation, what action is it most likely to take?

A) Increase the official interest rate
B) Decrease the official interest rate
C) Print more money
D) Reduce taxes significantly

16. What is a 'recession' in economic terms for Australia?

A) A period where the economy shrinks for two consecutive quarters
B) A period of very high inflation
C) A time with very low unemployment
D) A period of rapid economic growth

17. Which of these is an example of a 'public good' that the Australian government typically provides?

A) National defence
B) A private car dealership
C) A local pizza shop
D) A personal smartphone

18. What is the primary purpose of a country's central bank, like the Reserve Bank of Australia?

A) To manage the nation's money supply and financial system
B) To directly run all businesses in the country
C) To set prices for all goods and services
D) To collect taxes from citizens

19. When the overall demand for goods and services in Australia is much higher than the country can produce, this can lead to:

- **A) Inflation**
- B) Deflation
- C) A decrease in unemployment
- D) Lower prices

20. What does 'fiscal policy' refer to in Australia?

- **A) The government's decisions about spending and taxation**
- B) The Reserve Bank's interest rate decisions
- C) The way businesses produce goods
- D) The exchange rate of the Australian dollar