Macroeconomic History Quiz

Macroeconomics · Answer Key · 18 Questions

1. Which economic school of thought, heavily influenced by John Maynard Keynes, emerged in response to the Great Depression?

A) Classical economics
B) Monetarism
C) Keynesian economics
D) Austrian economics

2. The Bretton Woods Agreement in 1944 established a system of fixed exchange rates and created which two major international financial institutions?

A) World Trade Organization and Bank for International Settlements
B) International Monetary Fund and World Bank
C) European Central Bank and Federal Reserve
D) United Nations and International Labour Organization

3. What significant event in the United States during the 1930s led to widespread unemployment and economic hardship, prompting major government intervention?

A) The Cold War
B) The Industrial Revolution
C) The Great Depression
D) The Space Race

4. Who is often credited with popularizing the idea that 'inflation is always and everywhere a monetary phenomenon'?

A) John Maynard Keynes
B) Adam Smith
C) Milton Friedman
D) Karl Marx

5. The period of high inflation and slow economic growth in many developed countries during the 1970s was commonly referred to as:

A) The Golden Age of Capitalism
B) The Great Recession
C) Stagflation
D) The Dot-com Bubble

6. The creation of the Euro (EUR) as a single currency by many European Union member states was a major step towards economic integration. In what year did it officially begin?

A) 1980
B) 1990
C) 2002
D) 2010

7. What economic policy tool did the Federal Reserve primarily use to combat the 2008 financial crisis by injecting liquidity into the banking system?

A) Increasing reserve requirements
B) Raising the discount rate
C) Quantitative easing
D) Fiscal stimulus packages

8. Which economist is known for his work on 'comparative advantage,' which forms a cornerstone of international trade theory?

A) Thomas Malthus
B) David Ricardo
C) Alfred Marshall
D) Joseph Schumpeter

9. The Marshall Plan, implemented after World War II, was a U.S. initiative to provide economic aid to rebuild which region?

A) East Asia
B) Latin America
C) Western Europe
D) Africa

10. What event in 1973 significantly disrupted global oil supplies and contributed to rising inflation and economic uncertainty?

A) The end of the Cold War
B) The fall of the Berlin Wall
C) The first oil crisis (OPEC embargo)
D) The invention of the internet

11. The economic theory that emphasizes the role of money supply in influencing economic activity and inflation is known as:

A) Supply-side economics
B) Keynesian economics
C) Monetarism
D) Neoclassical economics

12. What historical event led to the collapse of the Soviet Union and significant economic transitions in Eastern Europe?

A) The Vietnam War
B) The Cuban Missile Crisis
C) The fall of the Berlin Wall
D) The Moon landing

13. Which U.S. president is strongly associated with the economic policies of 'trickle-down economics' or supply-side economics in the 1980s?

A) Lyndon B. Johnson
B) Richard Nixon
C) Ronald Reagan
D) Jimmy Carter

14. The concept of the 'invisible hand,' guiding self-interested individuals to promote the good of society, was first articulated by which economist?

A) John Stuart Mill
B) Thomas Sowell
C) Adam Smith
D) Friedrich Hayek

15. The period of sustained economic growth and prosperity in the United States following World War II, lasting roughly from 1945 to the early 1970s, is often called:

A) The Roaring Twenties
B) The Gilded Age
C) The Great Compression
D) The Golden Age of Capitalism

16. What major global economic shock occurred in 2008, primarily triggered by the collapse of the U.S. housing market?

A) The Asian Financial Crisis
B) The Dot-com Bubble burst
C) The Global Financial Crisis
D) The European Sovereign Debt Crisis

17. The establishment of the World Trade Organization (WTO) in 1995 aimed to liberalize international trade. What organization did it largely replace?

A) The League of Nations
B) The International Bank for Reconstruction and Development
C) The General Agreement on Tariffs and Trade (GATT)
D) The European Coal and Steel Community

18. The economic philosophy that advocates for minimal government intervention in the economy is most closely associated with:

A) Socialism
B) Mercantilism
C) Laissez-faire economics
D) Command economy