

# Macroeconomic History Quiz

Macroeconomics · Practice Test · 18 Questions

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**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