Macroeconomics Foundations

Macroeconomics · Answer Key · 12 Questions

1. In which year did the Bretton Woods Agreement establish the rules for commercial and financial relations among the United States, Canada, Western European countries, and Australia?

A) 1944
B) 1929
C) 1950
D) 1971

2. What is the standard threshold for hyperinflation often cited by economists, defined as a price increase of more than this percentage per month?

A) 10%
B) 50%
C) 100%
D) 500%

3. Who is the economist famously associated with the book 'The General Theory of Employment, Interest and Money' published in 1936?

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

4. The 'Great Depression' is widely considered to have begun following the stock market crash in which year?

A) 1914
B) 1929
C) 1939
D) 1945

5. According to the World Bank, what is the 'international poverty line' set at as of the 2022 update (in USD per day)?

A) $1.25
B) $1.90
C) $2.15
D) $5.50

6. The Phillips Curve, which describes an inverse relationship between rates of unemployment and corresponding rates of inflation, was introduced in which year?

A) 1958
B) 1945
C) 1972
D) 1980

7. Which US president signed the Employment Act of 1946, which formally placed the responsibility of maintaining stable prices and full employment on the federal government?

A) Franklin D. Roosevelt
B) Harry S. Truman
C) Dwight D. Eisenhower
D) John F. Kennedy

8. What percentage of its GDP did the United States approximately spend on the Marshall Plan between 1948 and 1952?

A) 0.5%
B) 3%
C) 10%
D) 20%

9. The term 'Stagflation' became widely used during the 1970s to describe the economic condition of the United States, which featured high inflation and a stagnant what?

A) Interest rate
B) Gross Domestic Product
C) Population growth
D) Trade surplus

10. The Gini coefficient is a statistical measure of distribution; what value represents perfect equality?

A) 0
B) 0.5
C) 1
D) 100

11. The International Monetary Fund (IMF) was officially created as a result of the Bretton Woods Conference and began operations in which year?

A) 1944
B) 1945
C) 1947
D) 1950

12. As of 2023, what is the target inflation rate commonly set by major central banks, such as the US Federal Reserve, to ensure price stability?

A) 0%

B) 2%

C) 5%

D) 10%