

Macroeconomic Basics for Teens

Macroeconomics · Practice Test · 18 Questions

1. What is the total value of all goods and services produced in a country over a year called?

- A) Inflation Rate
- B) Interest Rate
- C) Gross Domestic Product (GDP)
- D) Unemployment Rate

2. When prices for most goods and services go up over time, this is known as:

- A) Deflation
- B) Recession
- C) Inflation
- D) Stagnation

3. What is the name for the general decrease in prices and fall in the level of demand in the economy?

- A) Inflation
- B) Stagflation
- C) Deflation
- D) Boom

4. Which is a tool governments use to manage the economy by changing spending and taxation?

- A) Monetary Policy
- B) Fiscal Policy
- C) Trade Policy
- D) Environmental Policy

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

- A) Budget Surplus
- B) Balanced Budget
- C) Trade Deficit
- D) Budget Deficit

6. What is the term for the total amount of money owed by a government?

- A) National Debt
- B) GDP
- C) Inflation
- D) Unemployment

7. Which institution is typically responsible for controlling a country's money supply and interest rates?

- A) Treasury Department
- B) Central Bank
- C) World Bank
- D) International Monetary Fund (IMF)

8. What is the percentage of people in the workforce who are actively looking for a job but cannot find one?

- A) Inflation Rate
- B) GDP Growth
- C) Unemployment Rate
- D) Interest Rate

9. When a country's economy shrinks for two consecutive quarters, it is generally considered to be in a:

- A) Boom
- B) Expansion
- C) Recession
- D) Recovery

10. What is the cost of borrowing money or the return on lending money, usually expressed as a percentage?

- A) Exchange Rate
- B) Interest Rate
- C) Inflation Rate
- D) Tax Rate

11. The total amount of goods and services that businesses are willing and able to sell at a given price is called:

- A) Aggregate Demand
- B) Aggregate Supply
- C) Consumer Spending
- D) Government Spending

12. What does the term 'globalisation' refer to in economics?

- A) Increased production of local goods
- B) Reduced international trade
- C) Increased interdependence of world economies
- D) Focus on domestic industries only

13. What is the value of one country's currency compared to another country's currency?

- A) Interest Rate
- B) Inflation Rate
- C) Exchange Rate
- D) Tariff Rate

14. When the government makes policies to influence the total amount of money and credit in an economy, it is using:

- A) Fiscal Policy
- B) Monetary Policy
- C) Trade Policy
- D) Labour Policy

15. What is a tax on imported goods called?

- A) Subsidy
- B) Tariff
- C) Quota
- D) Export Duty

16. Which of the following is considered a major component of Gross Domestic Product (GDP)?

- A) Government debt
- B) Unemployment benefits paid
- C) Consumer spending
- D) Stock market index

17. When a country exports more goods and services than it imports, it has a:

- A) Trade Deficit
- B) Budget Deficit
- C) Trade Surplus
- D) National Debt

18. What is the study of the economy as a whole, including topics like inflation, unemployment, and GDP, called?

- A) Microeconomics
- B) Sociology
- C) Macroeconomics
- D) Psychology