

Macroeconomics for Young Learners

Macroeconomics · Answer Key · 15 Questions

1. What is the primary function of a country's central bank?

- A) To sell toys to children
- B) To manage the nation's money supply**
- C) To build public parks
- D) To set the price of groceries

2. Which term describes a general increase in the prices of goods and services over time?

- A) Deflation
- B) Inflation**
- C) Barter
- D) Taxation

3. What does GDP stand for in macroeconomics?

- A) Global Daily Price
- B) General Domestic Product
- C) Gross Domestic Product**
- D) Great Dollar Profit

4. What do we call the act of sending goods made in one country to another country for sale?

- A) Importing
- B) Exporting**
- C) Bartering
- D) Taxing

5. Which of these is a way for a government to earn money to fund public services?

- A) Taxes**
- B) Donations
- C) Wishing
- D) Borrowing from banks permanently

6. What is the term for a period when a country's economy experiences a significant decline in activity?

- A) Boom
- B) Recession**
- C) Expansion
- D) Surplus

7. What is the primary purpose of a budget?

- A) To hide money
- B) To track income and spending**
- C) To increase the price of goods
- D) To change the currency

8. What is it called when a country buys goods or services from another country?

- A) Importing**
- B) Exporting
- C) Manufacturing
- D) Investing

9. Which entity is typically responsible for printing a nation's physical paper currency?

- A) The local post office
- B) The Treasury or Central Bank**
- C) Private toy stores
- D) The local library

10. What is the 'labor force' composed of?

- A) Only business owners
- B) All people who are employed or actively looking for work**
- C) Only government workers
- D) Only retired people

11. If a country's total spending is less than its total income, it has a budget...

- A) Deficit
- B) Surplus**
- C) Loss
- D) Collapse

12. What describes a system where goods are exchanged directly for other goods without using money?

- A) Bartering**
- B) Banking
- C) Trading stocks
- D) Importing

13. What is a 'tariff'?

- A) A tax on imported goods**
- B) A type of savings account
- C) A free government service
- D) A form of currency

14. What is interest in the context of banking?

- A) The fee for using a bank's services
- B) The cost of borrowing money or the reward for saving it**
- C) A government tax on income
- D) The weight of a coin

15. What is the term for a market situation where there is only one provider of a specific good or service?

- A) Competition
- B) Monopoly**
- C) Free trade
- D) Import