Economics Essentials

Economics · Practice Test · 10 Questions

1. What is the term for a situation where there is more demand for a product than there is supply available?

A) Scarcity
B) Surplus
C) Inflation
D) Deflation

2. Which of the following is the primary currency used in the United States?

A) Euro
B) Dollar
C) Pound
D) Yen

3. What is the main goal of a business that operates for profit?

A) To provide free goods
B) To earn more money than it spends
C) To eliminate all competition
D) To control government policy

4. Which term refers to the total value of all goods and services produced within a country in a year?

A) Gross Domestic Product (GDP)
B) Consumer Price Index (CPI)
C) Federal Reserve
D) Stock Market

5. What is the economic process of exchanging one good or service for another without using money called?

A) Investment
B) Taxation
C) Bartering
D) Importing

6. When the general level of prices for goods and services rises over time, what is this economic phenomenon called?

A) Deflation
B) Recession
C) Inflation
D) Depreciation

7. Who is the primary regulatory body responsible for managing a country's money supply and interest rates, such as the Federal Reserve in the US?

A) Central Bank
B) Stock Exchange
C) Department of Education
D) Chamber of Commerce

8. What are goods brought into a country from abroad for sale called?

A) Exports
B) Imports
C) Assets
D) Dividends

9. What do we call a person who purchases goods or services for personal use?

A) Producer
B) Investor
C) Consumer
D) Supplier

10. Which of these is considered a 'need' rather than a 'want' in basic economics?

A) A luxury car
B) Basic food
C) A video game
D) Designer clothing