

Macroeconomics Foundations

Macroeconomics · Answer Key · 12 Questions

1. What is the name of the official currency used in the Commonwealth of Australia?

- A) United States Dollar
- B) Australian Dollar**
- C) Euro
- D) British Pound

2. Which government institution is responsible for issuing Australia's banknotes?

- A) The Reserve Bank of Australia**
- B) The Australian Taxation Office
- C) The Department of Education
- D) The Royal Australian Mint

3. What term is used to describe the total value of all goods and services produced within a country in a specific time period?

- A) Inflation Rate
- B) Gross Domestic Product**
- C) Consumer Price Index
- D) Interest Rate

4. When a country sells goods or services to another country, what is this activity called?

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

5. Which of the following is considered a 'natural resource' used in the production of goods?

- A) Computers
- B) Factory workers
- C) Iron ore**
- D) Road networks

6. What is the economic term for a general increase in prices and a fall in the purchasing value of money?

- A) Deflation
- B) Recession
- C) Inflation**
- D) Investment

7. Which tax is paid by consumers when they purchase most goods and services in Australia?

A) Income Tax

B) Goods and Services Tax (GST)

C) Corporate Tax

D) Property Tax

8. What is the primary function of a commercial bank in the economy?

A) To print money

B) To make laws

C) To accept deposits and provide loans

D) To regulate global trade

9. If a country imports more goods than it exports, what is this economic situation called?

A) Trade surplus

B) Trade deficit

C) Balanced budget

D) Economic growth

10. Which of these represents a 'capital good' used by a business to produce other products?

A) A loaf of bread

B) A delivery truck

C) A finished shirt

D) A carton of milk

11. What does the 'unemployment rate' measure in an economy?

A) The number of people who are retired

B) The percentage of the labour force without a job

C) The total number of businesses closed

D) The amount of money spent on welfare

12. Which level of government in Australia is primarily responsible for national defence and international trade policy?

A) Local Council

B) State Government

C) Federal Government

D) Territory Government