# Macroeconomics Foundations

Macroeconomics · Practice Test · 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