

Macroeconomics for Young Minds

Macroeconomics · Answer Key · 20 Questions

1. What is the term for the total value of all goods and services produced within a country in a year?

A) Gross Domestic Product (GDP)

- B) Consumer Price Index
- C) Interest Rate
- D) National Debt

2. Which government entity is typically responsible for managing a country's currency and interest rates?

A) The Stock Exchange

B) The Central Bank

- C) The Ministry of Tourism
- D) The Department of Justice

3. What happens to the purchasing power of money when inflation occurs?

- A) It stays the same
- B) It increases

C) It decreases

- D) It disappears completely

4. What is a tax imposed on goods brought into a country from abroad called?

- A) Subsidy
- B) Dividend

C) Tariff

- D) Budget

5. What is the term for a situation where people who are actively looking for work cannot find a job?

A) Inflation

B) Unemployment

- C) Deflation
- D) Stagflation

6. What does a 'balanced budget' mean for a government?

A) Spending equals revenue

- B) Spending is more than revenue
- C) Revenue is more than spending
- D) No taxes are collected

7. What represents a share of ownership in a corporation?

- A) A bond
- B) A stock**
- C) A loan
- D) A savings account

8. Which of the following is considered a 'natural resource' factor of production?

- A) A factory machine
- B) A delivery truck
- C) Land and minerals**
- D) A computer software

9. What is the primary purpose of international trade?

- A) To reduce the number of jobs
- B) To limit consumer choices
- C) To exchange goods and services between countries**
- D) To eliminate all currencies

10. When a country exports more than it imports, what is this situation called?

- A) Trade deficit
- B) Trade surplus**
- C) Market failure
- D) Budget surplus

11. What is the main goal of a 'minimum wage' law?

- A) To set a floor for how much workers earn**
- B) To increase company profits
- C) To lower the price of food
- D) To restrict international travel

12. What does the 'Consumer Price Index' (CPI) measure?

- A) The speed of internet connections
- B) Changes in the cost of living**
- C) The number of people employed
- D) The total value of gold in a country

13. Which term describes a period when a country's economic activity declines significantly for a period of time?

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

14. What are 'public goods' provided by the government funded by?

A) Private donations only

B) Tax revenue

C) Corporate charity

D) Lottery winnings

15. What is the economic term for the limited supply of resources to meet unlimited wants?

A) Scarcity

B) Abundance

C) Surplus

D) Efficiency

16. Which of these is considered a 'human resource' in an economy?

A) Steel pipes

B) Labor and skills

C) Land

D) Oil reserves

17. What is a 'fiscal policy' primarily concerned with?

A) Government spending and taxation

B) Stock market fluctuations

C) Weather patterns

D) Individual bank accounts

18. If a country has a 'floating' currency, what determines its value?

A) A single government decree

B) Supply and demand in the market

C) The amount of gold in a vault

D) The weight of the paper money

19. What happens to the price of an item if demand increases while supply remains the same?

A) It stays the same

B) It decreases

C) It increases

D) It fluctuates randomly

20. What is the study of the economy as a whole, rather than individual markets, called?

A) Microeconomics

B) Macroeconomics

C) Accounting

D) Business management