

Macroeconomics for Young Minds

Macroeconomics · Practice Test · 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