Economics for Young Minds

Economics · Answer Key · 8 Questions

1. What is the term for a situation where the demand for a resource is greater than the supply available?

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

2. In the history of money, what was the primary purpose of using 'commodity money' like salt or shells?

A) To act as a store of value and medium of exchange
B) To prevent government taxes
C) To increase the weight of currency
D) To stop trade between nations

3. What is the main function of a central bank, such as the Reserve Bank of Australia?

A) To sell private company stocks
B) To manage a nation's currency and interest rates
C) To directly employ all citizens
D) To set prices for every product in grocery stores

4. Which economic concept explains why the cost of producing an item decreases as the scale of production increases?

A) Opportunity cost
B) Law of demand
C) Economies of scale
D) Diminishing returns

5. What does the Gross Domestic Product (GDP) measure for a country?

A) The total value of all goods and services produced in a specific period
B) The number of people living in poverty
C) The total amount of gold held by individuals
D) The speed at which new businesses are opened

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

A) Trade deficit
B) Balanced budget
C) Trade surplus
D) Market equilibrium

Quixly | This material was auto-generated. Quixly is not liable for errors or omissions. Visit quixlylearn.com to report corrections.

7. Which term describes the rise in the general level of prices for goods and services over time, reducing the purchasing power of money?

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

8. What is the 'opportunity cost' of choosing to spend money on a new bicycle instead of putting it into a savings account?

A) The interest you would have earned on the saved money
B) The price of the bicycle
C) The cost of a helmet
D) The tax on the bicycle

Quixly | This material was auto-generated. Quixly is not liable for errors or omissions. Visit quixlylearn.com to report corrections.