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1 Suppose that a private electricity producing power plant, is owned by the public sector through acquisition. This is an example of

- A) Monopoly
- B) Privatization
- C) Nationalization
- D) Monopsony
- E) Externality

2 What is the aim of supply-side policies?

- A) To shift the short run aggregate supply curve to the left
- B) To shift the long run aggregate supply curve to the right
- C) To shift the short run aggregate supply curve to the right
- D) To shift the long run aggregate supply curve to the left
- E) To shift the short run aggregate demand curve to the right

3 To be effective, a price floor should be imposed the free market equilibrium price.

- A) Above
- B) Far Below
- C) Just below
- D) At
- E) All of above

4 An oligopolist believes that rivals and

- A) will not match price cuts - will match price rises
- B) will match price cuts - will not match price rises
- C) will match price cuts - will match price rises
- D) will not match price cuts - will not match price rises
- E) None of above

5 Which one of the following is not an objective of monetary policy?

- A) Price stability
- B) High Employment
- C) Regulating Government Spending
- D) Economic Growth
- E) Stability in Foreign Exchange Markets

6 Which of the following forms of government intervention could correct market failure?

- A) The banning of the consumption of inferior goods
- B) The granting of a subsidy to firms producing demerit goods
- C) The taxation of merit goods
- D) The provision of public goods
- E) Encouraging the production of veblen goods

7 A tax is an appropriate measure to convert:

- A) external costs into private costs
- B) private costs into external costs
- C) private benefits into social benefits
- D) private benefits into external benefits
- E) private costs into external benefits

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8 What do positive economic statements contain?

- A) Optimistic views
- B) Facts
- C) Opinions
- D) Pessimistic views
- E) Value judgements

9 RPIX is:

- A) RPI plus indirect taxes
- B) RPI minus indirect taxes
- C) RPI minus mortgage interest payments
- D) RPI plus direct taxes
- E) RPI minus direct taxes

10 What is meant by potential economic growth?

- A) An increase in real GDP per head
- B) An increase in GDP
- C) An increase in nominal GDP
- D) An increase in real GDP
- E) An increase in the productive potential of the economy

11 Which of the following would reduce the average standard of living in a country?

- A) No change in real GDP and a fall in population
- B) A fall in real GDP and a greater percentage fall in population
- C) A rise in real GDP and no change in population
- D) A rise in real GDP and a greater percentage rise in population
- E) A rise in real GDP and the same percentage rise in population

12 In what way does land differ from the other factors of production?

- A) It is unlimited in supply
- B) It is geographically immobile
- C) It is occupationally immobile
- D) It is man-made
- E) It is renewable

13 What is the cross elasticity of demand for two products which are complements?

- A) Infinity
- B) Positive
- C) Zero
- D) Negative
- E) None of the above

14 Which of the following is an appropriate measure to increase the occupational mobility of labour?

- A) A reduction in corporation tax
- B) A reduction in income tax
- C) A subsidy given to firms to relocate
- D) A subsidy given to workers to undertake training
- E) A reduction in tariffs

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- 15 Which of the following is a normative economic statement?
- A) Men earn more per hour worked than women
 - B) The government must increase its spending on education
 - C) A cut in income should increase household spending
 - D) Unemployment fell in 2001
 - E) The UK government devotes a higher percentage of its expenditure to education than the government of France

- 16 can be used to analyze the exchange of two goods between two people.

- A) Arrow's Impossibility Theorem
- B) Economic Constraints
- C) Edgeworth Box
- D) Marginal Rate of Substitution
- E) Incentive Systems

- 17 Real interest rate is the difference between and

- A) Nominal interest rate - unemployment rate
- B) Nominal interest rate - inflation rate
- C) Inflation rate - % increase in GDP
- D) Inflation rate - unemployment rate
- E) Nominal interest rate - % increase in budget deficit

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- 18 IS curve is a curve relating

- A) Upward - Inflation to interest rate
- B) Upward - Output to interest rate
- C) Downward - Output to interest rate
- D) Upward - Unemployment to interest rate
- E) Downward - Inflation to interest rate

- 19 The J Curve of Marshall-Lerner shows:

- A) The relationship between inflation and unemployment
- B) Net exports after a real depreciation
- C) Imports / GDP
- D) Exports / GDP
- E) The amount of taxes collected after a change in tax rates

- 20 When a producer charges different customers different prices, this is called

- A) Price Substitution
- B) Price Equalization
- C) Price Separation
- D) Price Discrimination
- E) Price Reduction

- 21 The government decisions about spending and taxation is known as

- A) Budget deficit
- B) Transfer Payments
- C) Economic Policy
- D) Monetary Policy
- E) Fiscal Policy

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22 is a period of both high unemployment and high inflation.

- A) Hyperinflation
- B) Recession
- C) Sterilization
- D) Stagflation
- E) Devaluation

23 Which of the following is not a government macroeconomic policy objective?

- A) Balance of payments equilibrium
- B) Steady economic growth
- C) Low inflation
- D) High unemployment
- E) Sustainable economic growth

24 The short run is the period of time when:

- A) It is impossible to increase output
- B) All factors of production are fixed
- C) At least one factor of production is fixed
- D) It is impossible to alter costs of production
- E) Marginal product is at its minimum level

25 Which of the following could cause inflation?

- A) An increase in the exchange rate
- B) An increase in raw material costs
- C) A decrease in consumption
- D) A decrease in net exports
- E) A decrease in profit margins

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26 Which one of the following defines GDP?

- A) GDP measures the output capital intensively produced by factors of production located in the domestic only owned by citizens of that country
- B) GDP measures the output produced by factors of production located in the domestic economy only owned by citizens of that country
- C) GDP measures the output produced by factors of production located anywhere in the world owned by citizens of that country
- D) GDP measures the output labor intensively produced by factors of production located in the domestic economy only owned by citizens of that country
- E) GDP measures the output produced by factors of production located in the domestic economy regardless of who owns these factors

27 Marginal Product of Labor, if the number of workers in the factory is continuously increased

- A) Increases at the beginning, then decreases
- B) Increases
- C) Decreases at the beginning, then increases
- D) Decreases
- E) Stays constant

28 What is the main form of money in developed countries?

- A) Cheques
- B) Bank accounts
- C) Notes
- D) Coins
- E) Jewellery

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29 Which of the following is not an asset of a bank?

- A) Checkable Deposits
- B) Loans
- C) Reserves
- D) Deposits at Other Banks
- E) Securities

30 According to the Quantity Theory of Money, the increase in the money supply

- A) Increases output
- B) Decreases the price level
- C) Increases the price level
- D) Increases unemployment
- E) Decreases the unemployment

31 What is the main benefit claimed for division of labour?

- A) A decrease in interdependence
- B) A decrease in the average cost of production
- C) An increase in the job satisfaction workers experience
- D) A reduction in the use of machinery
- E) A rise in the amount of training given to workers

32 The monetary base is:

- A) The quantity of banknotes, gold and coins in private circulation and those held by the banking system
- B) The quantity of banknotes and coins in private circulation
- C) The quantity of banknotes and coins held by the banking system
- D) The quantity gold in private circulation
- E) The quantity of banknotes, coins in private circulation and those held by the banking system

33 "The Wealth Of Nations" is written by:

- A) Karl Marx
- B) David Ricardo
- C) John Maynard Keynes
- D) Adam Smith
- E) Robert Lucas

34 is a rise in average price of goods over time.

- A) Hyperinflation
- B) Devaluation
- C) Stagflation
- D) Inflation
- E) Sterilization

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35 The basic economic problem is

- A) feasibility
- B) scarcity
- C) durability
- D) opportunity
- E) immunity

36 If a chemical factory increases day by day the amount of poisonous wastes it is draining into the nearby passing river, this is an example of

- A) Technological advancement
- B) Externality
- C) Decreasing returns to scale
- D) Increasing returns to scale
- E) Constant returns to scale

37 arouses if there is a mismatch of skills and job opportunities when the pattern of production and demand change.

- A) Classical Unemployment
- B) Frictional Unemployment
- C) Demand Deficient Unemployment
- D) Natural Rate of Unemployment
- E) Structural Unemployment

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38 Which of the following is a characteristic of a competitive market?

- A) A slow response to changes in consumer demand
- B) Firms with considerable market power
- C) Factors which make it difficult for firms to enter or leave the industry
- D) Many buyers and sellers
- E) One firm with 50% market share

39 What can be said about elasticity at the point closest to quantity axis in a linear demand curve?

- A) 0
- B) Higher than 1
- C) Infinite
- D) 1
- E) 0.5

40 Which of the following is a monetary policy measure?

- A) A rise in government spending
- B) Privatisation
- C) A decrease in government spending
- D) Nationalisation
- E) A change in the growth of the money supply

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41 What does a gap between the social and private costs imply?

- A) The divergence between private and social benefits
- B) Existence of positive externalities
- C) Existence of negative externalities
- D) Underproduction
- E) Producers pursuing objectives other than profit maximisation

42 VAT is a(n)

- A) Indirect Tax
- B) Inheritance Tax
- C) Wealth Tax
- D) Direct Tax
- E) Interest Tax

43 Which of the following is a possible cause of cost-push inflation?

- A) A fall in labour productivity
- B) An increase in bank lending
- C) A decrease in corporation tax
- D) An increase in the money supply
- E) A decrease in income tax

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44 In a two-factor production environment, shows different combinations of factors required to produce 1 unit of output.

- A) Isocost line
- B) Marginal Revenue Curve
- C) Isoquant
- D) Marginal Cost Curve
- E) Cross Price Elasticity

45 Indifference curves should have

- A) Slope 0
- B) Positive Slope
- C) Slope 1
- D) Negative Slope
- E) Slope $-\infty$ to $+\infty$

46 Phillips Curve shows that a is accompanied by a

- A) Higher interest rate - Higher unemployment rate
- B) Higher interest rate - Higher inflation rate
- C) Lower interest rate - Higher inflation rate
- D) Higher inflation rate - Higher unemployment rate
- E) Higher inflation rate - Lower unemployment rate

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47 Which of the following is a reason for government intervention in the economy?

- A) A high level of geographical and occupational mobility of resources
- B) Output occurring at the socially optimum levels in markets
- C) Full employment of resources
- D) An inequitable distribution of income and wealth
- E) Industries working at full capacity

48 In, each indifference curve is a vertically shifted version of a single indifference curve.

- A) Quasilinear Preferences
- B) Kinky Tastes
- C) Perfect Complements
- D) Slutsky Substitution Effect
- E) Neumann-Morgensten Utility Function

49 Which of the following is correct?

- A) The LM curve is shifted to left by a rise in the money supply
- B) The IS curve is shifted to right by a decline in autonomous consumer spending
- C) Any factor that shifts the IS curve, shifts the aggregate demand curve in the same direction
- D) Any factor that shifts the LM curve, shifts the aggregate demand curve in the opposite direction
- E) The LM curve describes the equilibrium points in the market for government spending

50 Which of the following is a capital good?

- A) A share
- B) A luxury liner
- C) A child's toy
- D) A government bond
- E) A student's personal computer

51 An economic good is one which:

- A) has an opportunity cost
- B) is produced cheaply
- C) has a lower price than rival products
- D) makes a profit
- E) minimizes costs

52 With which area of the world does the UK trade most?

- A) Asia
- B) North America
- C) European Union
- D) South America
- E) Other western Europe

53 are working organizations that are designed to affect pay and working conditions.

- A) Oligopolies
- B) Trade Unions
- C) Monopsonies
- D) Monopolies
- E) Cartels

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54 What is opportunity cost?

- A) A reduction in the range of choices available
- B) Extra resources needed to increase the variety of products on offer
- C) The time taken to make a decision
- D) The best alternative forgone
- E) The choice made between alternatives

55 Oligopoly is a market structure:

- A) in which firms can make only normal profits in the long run
- B) containing many firms making slightly different products
- C) in which a firm's behaviour is independent of that of its rivals
- D) dominated by a few large firms
- E) all of the above

56 Bundling is:

- A) a non-durable good
- B) a form of monopoly
- C) a natural resource
- D) a business unit
- E) the combining of two products for sale

57 Specialisation and trade can improve people's standard of living. This is because:

- A) workers may enjoy themselves at work
- B) firms can increase their prices
- C) people can work longer hours
- D) the output of goods and services increase
- E) governments can impose taxes on imported products

58 GDP deflator is:

- A) The ratio of Real GDP to Real GNP
- B) The ratio of nominal GDP to Real GNP
- C) The ratio of nominal GDP to Real GDP
- D) The ratio of nominal GDP to nominal GNP
- E) The ratio of Real GDP to Nominal GNP

59 Ceteris Paribus, for a given level of government spending, an increase in the tax rate, budget deficit.

- A) Increases
- B) Does not affect
- C) Decreases
- D) May increase or decrease
- E) None of above

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60 What would be expected to increase as a result of a redistribution of income from the rich to the poor?

- A) The ownership of second homes
- B) Demand for luxury products
- C) The production of necessities
- D) The ownership of second cars
- E) Poverty

TEST BİTTİ

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