ALASKA ECONOMICS · UNIT 2 · 10 QUESTIONS

Macroeconomics — Practice Test

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button so it can be fixed.

1 **If banks must hold 10 percent of deposits as reserves, what is the simple money multiplier?**

ANSWER

Understand It with Pulse | Flag a mistake

2

A Permanent Fund Dividend paid to Alaska residents most directly increases their



A Tax rate

B Disposable income

C Reserve ratio

D Import quota

Understand It with Pulse | Flag a mistake

3 **When oil prices fall sharply, Alaska oil revenue falls. If the state cuts spending in response, aggregate demand in Alaska most likely**



A Shifts left

B Shifts right

C Stays the same

D Becomes vertical

Understand It with Pulse | Flag a mistake

4 **A government has revenue greater than its spending. It has a**

A Budget deficit

B Trade deficit

C Budget surplus

D National debt

Understand It with Pulse | Flag a mistake

5 **A tariff on imported goods most directly**

A Lowers the price of imports

B Raises the price of imports

C Bans all trade

D Lowers government revenue

Understand It with Pulse | Flag a mistake

6 **If interest rates fall, what is the most likely effect on business investment?**

A It falls

B It stays the same

C It becomes zero

D It rises

Understand It with Pulse | Flag a mistake

7 **A worker earns 20 per hour. The price level rises by 25 percent. What is the real wage in base year dollars?**

ANSWER _____

Understand It with Pulse | Flag a mistake

8 **Government revenue is 500 and government spending is 620. What is the budget deficit?**

ANSWER _____

Understand It with Pulse | Flag a mistake

9 **Consumer spending is 700, investment is 200, government spending is 300, and net exports are minus 50. What is gross domestic product?**

ANSWER _____

Understand It with Pulse | Flag a mistake

10 **Heavy government borrowing pushes interest rates up and reduces private investment. This effect is called**

A Crowding out

B Comparative advantage

C Stagflation

D Deflation

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. 10
2. B
3. A
4. C
5. B
6. D
7. 16
8. 120
9. 1150
10. A

© 2026 Brett Robbins. All Rights Reserved.