CONNECTICUT ECONOMICS · UNIT 2

Macroeconomics — Practice Test

Connecticut Economics • 25 questions

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 to let Brett know so he can fix it.

1 **Which term matches this description: the total value of goods and services produced**

- A Gross domestic product
- B Inflation
- C Deflation
- D Unemployment

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2 **Which term matches this description: a general rise in prices over time**

- A Deflation
- B Inflation
- C Unemployment
- D Recession

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3 **Which term matches this description: a general fall in prices over time**

- A Unemployment
- B Recession
- C Deflation
- D Fiscal policy

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4 **Which term matches this description: the share of workers without jobs and seeking work**

- A Recession
- B Fiscal policy
- C Monetary policy
- D Unemployment

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5 **Which term matches this description: a period of declining economic activity**

- A Recession
- B Fiscal policy
- C Monetary policy
- D Federal Reserve

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6 **Which term matches this description: government use of spending and taxes**

- A Monetary policy
- B Fiscal policy
- C Federal Reserve
- D Interest rate

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7 **Which term matches this description: central bank control of money and interest rates**

- A Federal Reserve
- B Interest rate
- C Monetary policy
- D National debt

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8 **Which term matches this description: the central bank of the United States**

A Interest rate

B National debt

C Budget deficit

D Federal Reserve

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9 **Which term matches this description: the cost of borrowing money**

A Interest rate

B National debt

C Budget deficit

D Budget surplus

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10 **Which term matches this description: the total amount a government owes**

A Budget deficit

B National debt

C Budget surplus

D Trade deficit

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11 **Which term matches this description: spending exceeding revenue in a year**

A Budget surplus

B Trade deficit

C Budget deficit

D Trade surplus

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12 **Which term matches this description: revenue exceeding spending in a year**

A Trade deficit

B Trade surplus

C Exchange rate

D Budget surplus

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13 **Which term matches this description: imports exceeding exports in value**

A Trade deficit

B Trade surplus

C Exchange rate

D Business cycle

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14 **Which term matches this description: exports exceeding imports in value**

A Exchange rate

B Trade surplus

C Business cycle

D Economic growth

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15 **Which term matches this description: the price of one currency in terms of another**

A Business cycle

B Economic growth

C Exchange rate

D Aggregate demand

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16 **Which term matches this description: the pattern of expansion and contraction**

A Economic growth

B Aggregate demand

C Aggregate supply

D Business cycle

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17 **Which term matches this description: an increase in real output over time**

A Economic growth

B Aggregate demand

C Aggregate supply

D Stagflation

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18 **Which term matches this description: total demand for goods and services**

A Aggregate supply

B Aggregate demand

C Stagflation

D Gross domestic product

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19 **Which term matches this description: total supply of goods and services**

A Stagflation

B Gross domestic product

C Aggregate supply

D Inflation

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20 **Which term matches this description: high inflation combined with slow growth**

- A Gross domestic product
- B Inflation
- C Deflation
- D Stagflation

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21 **Which statement about Gross domestic product is correct**

- A the total value of goods and services produced
- B a general rise in prices over time
- C a general fall in prices over time
- D the share of workers without jobs and seeking work

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22 **Which statement about Inflation is correct**

A a general fall in prices over time

B a general rise in prices over time

C the share of workers without jobs and seeking work

D a period of declining economic activity

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23 **Which statement about Deflation is correct**

A the share of workers without jobs and seeking work

B a period of declining economic activity

C a general fall in prices over time

D government use of spending and taxes

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24 **Which statement about Unemployment is correct**

- A a period of declining economic activity
- B government use of spending and taxes
- C central bank control of money and interest rates
- D the share of workers without jobs and seeking work

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25 **Which statement about Recession is correct**

- A a period of declining economic activity
- B government use of spending and taxes
- C central bank control of money and interest rates
- D the central bank of the United States

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ANSWER KEY

1. A
2. B
3. C
4. D
5. A
6. B
7. C
8. D
9. A
10. B
11. C
12. D
13. A
14. B
15. C
16. D
17. A
18. B
19. C
20. D
21. A
22. B
23. C
24. D
25. A

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