ECONOMICS · DELAWARE

Economics

Practice Test

Unit 2: Macroeconomics

25 Questions

Original practice test based on the Delaware curriculum. Work through each question, then check your answers at the end.

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.

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Question 1

Which term is defined as follows: the value of final goods and services produced in a country?

A) gross domestic product

B) inflation

C) unemployment rate

D) fiscal policy

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Question 2

Which of the following is an example of gross domestic product?

A) prices rising five percent in a year

B) all cars and services produced in a year

C) six percent of workers seeking jobs

D) a government cutting taxes in a recession

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Question 3

Which statement best describes gross domestic product?

A) inflation reduces the purchasing power of money

B) the unemployment rate counts only active job seekers

C) GDP measures production within a country's borders

D) fiscal policy is set by elected government

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Question 4

Which term is defined as follows: a general rise in prices over time?

A) gross domestic product

B) inflation

C) unemployment rate

D) fiscal policy

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Question 5

Which of the following is an example of inflation?

A) all cars and services produced in a year

B) six percent of workers seeking jobs

C) prices rising five percent in a year

D) a government cutting taxes in a recession

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Question 6

Which statement best describes inflation?

A) GDP measures production within a country's borders

B) the unemployment rate counts only active job seekers

C) fiscal policy is set by elected government

D) inflation reduces the purchasing power of money

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Question 7

Which term is defined as follows : the share of the labor force without work but seeking it?

A) gross domestic product

B) inflation

C) unemployment rate

D) fiscal policy

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Question 8

Which of the following is an example of unemployment rate?

A) all cars and services produced in a year

B) prices rising five percent in a year

C) a government cutting taxes in a recession

D) six percent of workers seeking jobs

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Question 9

Which statement best describes unemployment rate?

A) the unemployment rate counts only active job seekers

B) GDP measures production within a country′s borders

C) inflation reduces the purchasing power of money

D) fiscal policy is set by elected government

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Question 10

Which term is defined as follows : government use of spending and taxes to affect the economy?

A) gross domestic product

B) inflation

C) unemployment rate

D) fiscal policy

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Question 11

Which of the following is an example of fiscal policy?

A) a government cutting taxes in a recession

B) all cars and services produced in a year

C) prices rising five percent in a year

D) six percent of workers seeking jobs

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Question 12

Which statement best describes fiscal policy?

A) GDP measures production within a country's borders

B) fiscal policy is set by elected government

C) inflation reduces the purchasing power of money

D) the unemployment rate counts only active job seekers

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Question 13

Which term is defined as follows: central bank actions affecting money and interest rates?

A) monetary policy

B) gross domestic product

C) inflation

D) unemployment rate

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Question 14

Which of the following is an example of monetary policy?

A) all cars and services produced in a year

B) a central bank lowering interest rates

C) prices rising five percent in a year

D) six percent of workers seeking jobs

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Question 15

Which statement best describes monetary policy?

A) GDP measures production within a country's borders

B) inflation reduces the purchasing power of money

C) monetary policy in the United States is set by the Federal Reserve

D) the unemployment rate counts only active job seekers

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Question 16

Which term is defined as follows: a significant decline in economic activity?

A) gross domestic product

B) recession

C) inflation

D) unemployment rate

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Question 17

Which of the following is an example of recession?

A) all cars and services produced in a year

B) prices rising five percent in a year

C) two quarters of falling output

D) six percent of workers seeking jobs

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Question 18

Which statement best describes recession?

A) GDP measures production within a country′s borders

B) inflation reduces the purchasing power of money

C) the unemployment rate counts only active job seekers

D) a recession brings falling jobs and incomes

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Question 19

Which term is defined as follows: a period of growing economic activity?

A) gross domestic product

B) inflation

C) expansion

D) unemployment rate

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Question 20

Which of the following is an example of expansion?

A) all cars and services produced in a year

B) prices rising five percent in a year

C) six percent of workers seeking jobs

D) rising output and employment

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Question 21

Which statement best describes expansion?

A) expansion is the growth phase of a business cycle

B) GDP measures production within a country′s borders

C) inflation reduces the purchasing power of money

D) the unemployment rate counts only active job seekers

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Question 22

Which term is defined as follows : the pattern of expansion and contraction in an economy?

A) gross domestic product

B) inflation

C) unemployment rate

D) business cycle

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Question 23

Which of the following is an example of business cycle?

A) boom followed by bust

B) all cars and services produced in a year

C) prices rising five percent in a year

D) six percent of workers seeking jobs

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Question 24

Which statement best describes business cycle?

A) GDP measures production within a country′s borders

B) the business cycle repeats but not regularly

C) inflation reduces the purchasing power of money

D) the unemployment rate counts only active job seekers

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Question 25

Which term is defined as follows: the total amount a government owes?

A) national debt

B) gross domestic product

C) inflation

D) unemployment rate

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ANSWER KEY

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

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