

Terminology Online Test

Sr	Questions	Answers Choice
1	To anticipate what the economy is going to do next the government will look at:	A. Lagging indicators B. Flashing indicators C. Coincidental indicators D. Leading indicators
2	Which of the following is not a macroeconomic issue?	A. Unemployment B. Inflation C. The wages paid to footballers D. Economic growth
3	Which does the government not control directly?	A. Spending on health B. Spending on defence C. Firms investment decisions D. Spending on education
4	Which of the following is not involved with fiscal policy?	A. Income tax B. VAT C. National insurance D. Interest rates
5	Normal profit occurs when:	A. Average revenue equals average variable cost B. Marginal revenue equals marginal cost C. Average revenue equals marginal cost D. Average revenue equals average cost
6	Barriers to entry do not include:	A. Patents B. Internal economies of scale C. Mobility of resources D. High investment costs
7	In monopoly when abnormal profits are made:	A. The price set is greater than the marginal cost B. The price is less than the average cost C. The average revenue equals the marginal cost D. Revenue equals total cost
8	Which factor is not related to economic development?	A. Continuous process B. Increase in real national income C. Long run and continuous increase D. Compulsory change in economic welfare
9	A market with few entry barriers and with many firms that sell different product is:	A. Purely competitive B. A monopoly C. Monopolistically competitive D. Oligopolistic
10	A monopolistically competitive firm in short run equilibrium:	A. Will make negative profit (loss money) B. Will make zero profit (break-even) C. Will make positive profit D. Any of the given are possible