

Terminology Online Test

Sr	Questions	Answers Choice
1	An outward shift of the production possibility frontier may be caused by:	A. An increase in demand B. More government spending C. Better training of employees D. Productive inefficiency
2	The free market involves:	A. The free provision of products B. The subsidising of products by the government C. Market forces of supply and demand D. All trad via barter
3	Who introduced the concept of 'Permanent Income Hypothesis'?	A. Irving Fisher B. Adam smith C. Milton Friedman D. Franco
4	What theory explains why deflation may actually lead to an increase in GDP?	A. Solow effect B. Rational expectations C. Pigou effect D. Adaptive expectations
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6	Market where goods and services are offered for sale?	A. Factor market B. product market C. productivity D. service
7	Total revenues neither increase nor decrease When price changes?	A. unit elastic B. Marginal utility C. diminishing marginal utility D. Traditional economy
8	What is inflation?	A. Reduces the cost of living B. Reduces the standard of living C. Reduces the price of Products D. Reduces the purchasing power of a pound
9	A voluntary association of people formed to carry on some kind of economic activity that will benefit its members?	A. Revenues B. Cooperative C. Horizontal merger D. Labour union
10	Products that increase the usefulness or value fo other products?	A. substitutes B. complements C. income effects D. Goods