

Economics Workshops 2024 Mid-Term Test. Group 7.

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Name: _____

Circle the correct answer to each question. There is only one correct answer to each question

1. If tobacco tax is high and people buy cigarettes in another country, this is called
 1. Tax avoidance
 - 2. Tax drift**
 3. Tax evasion
2. A socialist country is likely to have
 1. A high HDI score
 - 2. A high tax burden**
 3. A high Gini score
3. The current French debt is about
 - 1. 112%**
 2. 90%
 3. 65%
4. Geographical inequality is high in
 - 1. China**
 2. France
 3. The USA
5. If the government increases the interest rate
 1. The currency value decreases
 2. Exports increase
 - 3. Unemployment increases**
6. The three main pillars in EU decision making are
 1. The Council, the EU Court and the Parliament
 - 2. The Parliament, the Council and the Commission**
 3. The Commission, the ECB and the Parliament
7. Alcohol duty is
 1. Indirect and progressive
 2. Direct and progressive
 - 3. Indirect and regressive**
8. If the government increases the interest rate
 - 1. Consumer consumption decreases**
 2. Consumer savings decrease
 3. Prices increase

9. If citizens buy imported goods, the multiplier effect is
 1. High
 2. **Low**
 3. No effect
10. In which product do we tax taxes?
 1. **Petrol**
 2. Bicycles
 3. Essential food
11. Cross-elasticity is when
 1. Prices and demand go up at the same time
 2. **When the price of one good changes the demand for another product**
 3. Price and demand go in different directions
12. The PPP of France is about
 1. **1**
 2. 1.4
 3. 0.5
13. The Tax Burden of France is about
 1. 35%
 2. **46%**
 3. 52%
14. Who has a high marginal propensity to save?
 1. A person with full-time employment
 2. **A rich person**
 3. A poor person
15. A government will get more money back from investment when
 1. **The multiplier effect is high**
 2. The interest rate is high
 3. The elasticity of demand is high
16. Purchasing Power Parity measures
 1. The inflation value of a dollar in different countries
 2. The average salary of different countries
 3. **The purchasing value of a dollar in different countries**
17. The Tax Burden measures
 1. **The percentage of national income from government spending**
 2. The percentage of taxes provided by Income Tax
 3. The level of national borrowing necessary to complete the national budget

18. To see who is lobbying in Europe, I would look at
 1. **The lobbying transparency register**
 2. The Brussels lobbying Think Tank
 3. The European Parliament
19. At the Bretton Woods conference
 1. 44 countries agreed on floating exchange rates
 2. The World Trade Organisation was created
 3. **The International Monetary Fund was created**
20. Which of these is a direct tax?
 1. **Corporation tax**
 2. Tobacco Duty
 3. VAT
21. If the Interest Rate increases
 1. The currency value decreases
 2. The currency value does not change
 3. **The currency value increases**
22. The Gini score for France is about
 1. **31**
 2. 41
 3. 51
23. People under the poverty line
 1. Pay progressive taxes
 2. **Pay regressive taxes**
 3. Do not pay taxes
24. The rate of interest on government borrowing depends on
 1. The size of the loan
 2. **The degree of risk**
 3. The country's level of debt
25. At the Bretton Woods Conference
 1. The dollar had a fixed exchange rate with silver
 2. **Acceptance of the agreement was tied to acceptance of the Marshall Plan**
 3. Import tariffs in member countries were banned
26. Sales are 400. Elasticity is -2. I increase the price by 10%/ My new sales are
 1. **320**
 2. 480
 3. 360
27. Green GDP measures
 1. **GDP minus environmental degradation**
 2. The part of GDP that goes into the Green Economy
 3. GDP plus environmental protection

28. If the elasticity of petrol consumption is -0.3 and the government increases fuel duty
 1. Government revenue will decline
 2. **Government revenue will increase**
 3. Government revenue will stay the same
29. The top 1% of Americans has about
 1. 25% US wealth
 2. **40% US wealth**
 3. 65% US wealth
30. In fiscal terms, 'boiling the frog' means
 1. **Increasing taxes gradually**
 2. Killing expenditure by increasing taxes
 3. Reducing fiscal revenue
31. Why is GDP considered a poor method of measurement?
 1. It is inaccurate
 2. It doesn't account for imports
 3. **It only accounts for economic measurements**
32. At the Bretton Woods Conference
 1. National currencies were allowed to float
 2. National currencies were fixed to gold
 3. **The dollar was fixed to gold**
33. Positive elasticity occurs when
 1. The change in sales is greater than the change in price
 2. **Price and demand move in the same direction**
 3. Elasticity helps increase government revenue
34. 'Income in kind' means
 1. Income earned outside your main job
 2. **Advantages, such as a company car**
 3. The combined income of a family
35. Income tax is
 1. **Direct and progressive**
 2. Indirect and progressive
 3. Direct and regressive
36. People bricked up their windows to
 1. Avoid damage from war
 2. **Avoid paying tax**
 3. Glass was too expensive

37. Which crash occurred in 1929?
 1. The Dutch tulip crisis
 2. The South Sea bubble
 3. **The Wall street crash**
38. If the currency value increases
 1. **Exports go down**
 2. Exports increase
 3. There is no change to exports
39. Sales are 200. Elasticity is -1.5. I decrease the price by 20%. New sales are
 1. **260**
 2. 180
 3. 220
40. HDI means
 1. **The Human Development Index**
 2. Human Direct Investment
 3. Hunger and Disease Indicator
41. The two main cities where lobbying takes place are
 1. New York and Brussels
 2. London and Paris
 3. **Washington and Brussels**
42. The International Monetary Fund was designed to
 1. **Lend money to countries in economic difficulty**
 2. Finance major infrastructure projects
 3. Control the balance of payments of member countries
43. Alcohol duty is
 1. Indirect and progressive
 2. Direct and progressive
 3. **Indirect and regressive**
44. The poverty level in France is
 1. Under 6€ per day
 2. **60% of the median income**
 3. 50% of the average income
45. France 'borrows' money by
 1. Borrowing from the European Central Bank
 2. Printing more money
 3. **Issuing bonds**
46. To stimulate the economy, it is better to provide money to
 1. Banks
 2. Citizens with a high marginal propensity to save
 3. **Citizens with a high propensity to consume**

47. A floating loan for a house mortgage is when
1. **The Interest Rate is linked to the inter-bank lending rate**
 2. The Interest Rate goes u and down depending on inflation
 3. The Interest Rate can be changed by the borrower every 3 months
48. IMF restructuring does **not** include
1. Increasing taxes
 2. Privatising public companies
 3. **Providing aid for public services**
49. A government calculates next year's budget by
1. **Taking last year's tax revenue and adding the effect of future growth**
 2. Taking the previous year's budget and adding the percentage of possible borrowing
 3. Increasing the previous year's budget by the level of inflation
50. In-house lobbying is when
1. You use a consultancy firm to do your lobbying
 2. **You use your own staff to do your lobbying**
 3. You use a Think Tank to persuade people
51. Bonus question. Fiscal Policy is
1. Really interesting
 2. Helpful to understand how an economy works
 3. My favourite subject at ESSCA
 4. **All of the above**