

Economics Workshops

Mid-term test. Group 3

## Question 1

The annual membership of a golf course goes up by 25%. 200 of the 400 members leave the club. What is the level of elasticity?

a.  $E = -1$

b.  $E = -2$

c.  $E = +2$

d.  $E = +1$

## Question 2

If a rating agency changes the note for France from AA to AA-, the Interest Rate on government borrowing will probably

- a. Decrease
- b. Remain the same
- c. Increase

## Question 3

In France, subsidies to companies accounts for a fiscal revenue loss of about

a. 211bn€

b. 52bn€

c. 350m€

d. 198bn€

## Question 4

### International inequality measures

- a. The gap between rich and poor in a country
- b. The gap between rich and poor countries
- c. The gap between rich and poor areas in a country
- d. The gap between the top and bottom 10%

## Question 5

Intranational inequality is measured by

- a. GDP
- b. HDI
- c. Gini score
- d. Green GDP

## Question 6

Geographical inequality is highest in

- a. China
- b. The USA
- c. France
- d. The United Kingdom

## Question 7

Taxing wealth leaving France is called

- a. National exemption tax
- b. Corporation Tax
- c. Exit Tax
- d. Wealth Tax

## Question 8

The EU Stability Pact states that

- a. Debt should not be more than 60% of GDP
- b. Debt should not be more than 3% of GDP
- c. Deficit should not be more than 60% of GDP
- d. Deficit should not be more than 30% GDP

# Question 9

## The Tax Burden measures

- a. The percentage of national income from tax receipts
- b. The percentage of taxes provided by Income Tax
- c. The level of national borrowing necessary to complete the national budget
- d. The burden of taxes on the poorest 10%

## Question 10

Why is GDP considered to be a poor measurement?

- a. It doesn't include unemployment levels
- b. It is inaccurate
- c. It doesn't account for imports
- d. It only accounts for economic measurements

# Question 11

## Green GDP measures

- a. GDP minus environmental degradation
- b. The GDP from the agricultural sector
- c. The part of GDP that goes into the Green Economy
- d. GDP plus environmental protection

## Question 12

The French contribution to the EU budget is

- a. 2.5% GDP
- b. 1% GDP
- c. 0.5% GDP
- d. 1.5% GDP

## Question 13

What is the European measurement of the Poverty Level?

- a. 60% of the median salary
- b. Under 6€ per day
- c. When a family cannot provide for basic welfare
- d. 50% of the average salary

## Question 14

If the government increases the Interest Rate

- a. Unemployment increases
- b. The currency value decreases
- c. Savings decrease
- d. Exports increase

## Question 15

If the government increases the Interest Rate

- a. Consumer savings decrease
- b. Prices increase
- c. Exports increase
- d. Consumer consumption decreases

## Question 16

If the government increases the Interest Rate

- a. Employment increases
- b. Commercial investment decreases
- c. The currency value depreciates
- d. Imports become more expensive

## Question 17

If the currency value increases

- a. Exports go down
- b. Exports increase
- c. There is no effect on exports

## Question 18

In fiscal terms, 'Boiling the Frog' means

- a. Killing expenditure by increasing taxes
- b. Excessive spending
- c. Increasing taxes gradually
- d. Reducing fiscal income

## Question 19

In which country did the Great Depression occur?

- a. France
- b. Latin America
- c. United Kingdom
- d. United States

## Question 20

To borrow money, most countries issue

- a. 2 year bonds
- b. 10 year bonds
- c. 20 year bonds
- d. 5 year bonds

## Question 21

A positive Multiplier Effect is when

- a. The effect on GDP is greater than the investment made
- b. Money spent by the government is invested by shareholders
- c. The national Interest Rate increases
- d. Interest rates increase the total revenue

## Question 22

The current French debt crisis since 2017 has mostly been caused by

- a. An increase in investment in health
- b. An increase in government spending
- c. A decrease of government fiscal revenue
- d. An increase in unemployment

## Question 23

Who has a high marginal propensity to spend?

- a. A rich person
- b. A poor person
- c. A national government
- d. A person with a high level of savings

## Question 24

To stimulate the economy, it is better to provide more money to

- a. Banks
- b. Citizens with a high propensity to save
- c. Citizens with a high propensity to spend
- d. Investment companies

## Question 25

If the Interest Rate increases

- a. Currency value decreases
- b. Currency value does not change
- c. Currency value increases

## Question 26

Sales are 100. Elasticity is -2. I increase the price by 20%. What are my new sales?

- a. 80
- b. 60
- c. 120
- d. 140

## Question 27

If citizens buy imported goods, the multiplier effect is

- a. Low
- b. High
- c. No effect

## Question 28

If the elasticity of beer consumption is  $-0.5$  and the government increases alcohol duty on beer

- a. Government revenue will decline
- b. Government revenue will increase
- c. 5% of beer drinkers will stop drinking beer
- d. 50% of beer drinkers will stop drinking beer

## Question 29

In which product do we 'tax taxes'?

- a. Bicycles
- b. Petrol
- c. Essential food
- d. Imported goods

## Question 30

HDI means

- a. Humanitarian Dispersal Index
- b. The Human Development Index
- c. Human Direct Investment
- d. Hunger and Disaster Indicator

## Question 31

Socialist countries are likely to have a higher \_\_\_\_\_ than neo-liberal countries

- a. Income per person
- b. Tax burden
- c. HDI
- d. Government debt

## Question 32

In France, the fiscal revenue from VAT is about

- a. 52%
- b. 34%
- c. 28%
- d. 75%

## Question 33

Historically, people bricked up their windows because

- a. Glass was too expensive
- b. Windows were taxed
- c. To avoid damage from riots
- d. To avoid being seen by neighbours

## Question 34

Which of these is a regressive tax?

- a. Wealth tax
- b. Corporation tax
- c. Petrol duty
- d. Inheritance tax

## Question 35

Which of these is a direct tax?

- a. Income tax
- b. Tobacco duty
- c. VAT
- d. Alcohol duty

## Question 36

Sales are 200. Elasticity is -1.5. I decrease the price by 10%. My new sales are

- a. 215
- b. 230
- c. 175
- d. 350

## Question 37

IMF restructuring does **not** include

- a. Increasing taxes
- b. Increasing currency deregulation
- c. Privatising national companies
- d. Providing aid for public services

## Question 38

If I crash my car and end up in hospital for 3 months, it is

- a. Economically bad
- b. Economically good
- c. Neither good nor bad because of insurance

## Question 39

If my national ppp is 1.25, it is

- a. More expensive to live than in the USA
- b. Cheaper to live than in the USA
- c. The same as living in the USA
- d. Makes no difference to the cost of living

## Question 40

The FTT stands for

- a. Foreign Trading Tax
- b. Financial Transfer Tax
- c. Foreign Transaction Tariffs
- d. Frequent Trading Tariff

## Question 41

China's largest trade partner is

- a. The USA
- b. Europe
- c. The Middle East
- d. South America

## Question 42

Inflation is normally measured by

- a. The overall change in prices over 5 years
- b. The year-on year change in prices
- c. The 10 year average
- d. The percentage change since year 2000

## Question 43

The Core CPI (Core Consumer Price Index) measures:

- a. The CPI minus food and energy
- b. The CPI measured over 10 years
- c. The CPI minus debt expenses
- d. The CPI plus import duty costs

## Question 44

Greenland holds about how much of the world's known 'rare earths'?

- a. 45%
- b. 24%
- c. 1.5%
- d. 15%

## Question 45

Trump's interest in Greenland is about

- a. Obtaining Rare Earths
- b. Geo-political positioning in the Arctic
- c. Gaining control of Greenland's fishing stocks
- d. Dividing power in the EU

## Question 46

What percentage of the world's oil are exported through the Straits of Hormuz?

- a. 20%
- b. 30%
- c. 30%
- d. 40%

## Question 47

What is the order of countries investing most in Research and Development as a percentage of GDP?

- a. EU, China, USA
- b. China, USA, EU
- c. USA, China, EU
- d. China, EU, USA

## Question 48

Dialectical Materialism is based on the idea

- a. That there are two sides to every argument
- b. That people change the world and the world changes people in a constant cycle
- c. Of the class war described by Karl Marx
- d. Conversation needs two sides

## Question 49

If the straits of Hormuz are blocked by Iran, the main global effect is on

- a. Oil prices
- b. Imports into Saudi Arabia, Qatar, Iraq and Iran
- c. LNG (Liquified Natural Gas)
- d. Cereals

## Question 50

To resolve International Trade Imbalances, Keynes suggested using

- a. The Gold Standard
- b. The dollar backed by gold
- c. A virtual currency called the Bancor
- d. Tying foreign currency exchange rates to the dollar