

## **Tutorial 01:COE (Basics of Economics)**

- 1.** Economics is the study of:
  - A. How to make money in the stock market
  - B. How governments spend their budget
  - C. How individuals and societies make choices to satisfy their wants with limited resources
  - D. How businesses maximize their profits
- 2.** The law of demand states that, all other factors being equal:
  - A. As the price of a good increases, the quantity demanded increases
  - B. As the price of a good increases, the quantity demanded decreases
  - C. As the price of a good decreases, the quantity demanded increases
  - D. As the price of a good decreases, the quantity demanded decreases
- 3.** When the quantity supplied exceeds, the quantity demanded at a given price, it is called:
  - A. Surplus
  - B. Shortage
  - C. Equilibrium
  - D. Market failure
- 4.** Gross Domestic Product (GDP) measures:
  - A. The total value of all goods and services produced within a country's borders in a specific period
  - B. The total value of all exports minus imports
  - C. The total value of all goods and services consumed by households in a specific period
  - D. The total value of all goods and services produced by a country's citizens abroad
- 5.** Inflation is best defined as:
  - A. A decrease in the general price level
  - B. An increase in the general price level
  - C. A decrease in the total output of goods and services
  - D. An increase in the level of unemployment
- 6.** Fiscal policy refers to the government's use of:
  - A. Interest rates to control inflation
  - B. Taxation and government spending to influence the economy
  - C. The money supply to regulate economic activity
  - D. Trade barriers to protect domestic industries
- 7.** Microeconomics focuses on the study of:
  - A. Individual economic agents and their behavior
  - B. Overall economic aggregates and their interactions
  - C. Historical economic events and their consequences
  - D. Government policies and their impact on the economy
- 8.** Macroeconomics deals with:
  - A. Prices of individual goods and services
  - B. The allocation of resources by individual firms
  - C. The overall performance of the entire economy
  - D. Consumer preferences and choices
- 9.** Which of the following is a microeconomic concept?
  - A. Inflation rate
  - B. Gross Domestic Product (GDP)
  - C. Consumer demand for smartphones
  - D. National unemployment rate
- 10.** Macroeconomics is concerned with the determination of:
  - A. Individual household budgets
  - B. The price of a specific product in the market
  - C. The total output and employment in the economy
  - D. The production decisions of a single firm

- 11.** Microeconomics analyzes the behavior of:
- A. The government and its fiscal policies
  - B. The entire financial sector of the economy
  - C. Individual consumers, producers, and firms
  - D. The foreign trade and exchange rate mechanisms
- 12.** Which branch of economics examines how individuals and firms make decisions under conditions of scarcity?
- A. Microeconomics
  - B. Macroeconomics
  - C. Behavioral economics
  - D. Public economics
- 13.** Which level of economics deals with the issue of unemployment in the entire economy?
- A. Microeconomics
  - B. Macroeconomics
  - C. Monetary economics
  - D. Industrial economics
- 14.** The study of inflation, economic growth, and fiscal policy is part of:
- A. Microeconomics
  - B. Macroeconomics
  - C. Agricultural economics
  - D. Environmental economics
- 15.** Which of the following is an example of a macroeconomic issue?
- A. Determining the price of a specific brand of laptop
  - B. Analyzing the factors influencing an individual's demand for books
  - C. Evaluating the effect of changes in government spending on overall employment
  - D. Understanding the preferences of consumers for different types of mobile phones