

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