

Generated list of questions and answers From App

True or False Questions

1. True or False: The Big Mac index is a measure of the purchasing power parity between two currencies.

Answer: True

2. True or False: The Big Mac index was originally intended to be a legitimate tool for exchange rate evaluation.

Answer: False

3. True or False: The price of a Big Mac is derived from the culmination of many local economic factors.

Answer: True

4. True or False: The Big Mac index is limited by geographical coverage due to the presence of the McDonald's franchise.

Answer: True

5. True or False: The government of Argentina has been accused of falsifying consumer price data to understate inflation.

Answer: True

Multiple Choice Questions (MCQs)

1. Which of the following is NOT a limitation of the Big Mac index? (a) Geographical coverage (b) Non-tradable goods and services (c) Currency values (d) Social status of eating at McDonald's

Answer: (c)

2. What is the purpose of the Big Mac index? (a) To measure the cost of living in different countries (b) To calculate an implied exchange rate between two currencies (c) To compare the nutritional value of Big Macs (d) To analyze the profitability of McDonald's restaurants

Answer: (b)

3. Which of the following is a variant of the Big Mac index? (a) Tall Latte index (b) iPod index (c) Billy index (d) All of the above

Answer: (d)

4. What is the "KFC Index"? (a) A measure of the purchasing power parity in Africa (b) A comparison of the price of KFC's Original 15 pc. bucket in different countries (c) A measure of the cost of living in Kentucky (d) A measure of the profitability of KFC restaurants

Answer: (b)

5. Why is the price of a Big Mac not always a reflection of relative currency values? (a) Different commercial strategies used by McDonald's (b) Varying costs of production and delivery (c) Differences in local demand (d) All of the above

Answer: (d)

One-word Answer Questions

1. What is the name of the hamburger used in the Big Mac index?

Answer: Big Mac

2. What is the currency used as the base in the Big Mac index?

Answer: US dollar

3. What is the name of the organization that publishes the Big Mac index?

Answer: The Economist

4. What is the name of the Argentinean government official accused of manipulating the Big Mac price? Answer: Guillermo Moreno

5. What is the name of the substitute for the Big Mac in India?

Answer: Chicken Maharaja Mac