

# Economics Workshops

Mid-term test. Group 2

## 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.  $E = +$
- 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

***Poor question since COVID saw an increase in debt from 94%GDP to 115% GDP prior to 2017***

## 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

Under the Bretton Woods system

- a. Different currencies were tied to Gold
- b. The US dollar was tied to gold**
- c. Currencies were allowed to float
- d. Currencies were tied to the dollar and the dollar could float against gold

## Question 42

Gold is weighed in karats which refers to

- a. the weight of silver
- b. 0.2 grammes
- c. the weight of Carob seeds**
- d. 06 grammes

## Question 43

The current French debt is partly due to

- a. The Social Security debt**
- b. An increase in regional debt
- c. The increase in social security spending**
- d. The annual loss of 52bn€ in revenue since 2017**

***Poor question due to COVID spending increasing the debt from 94% GDP to 115% GDP***

## 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

The French 2026 budget is estimated to result in

- a. An increase in employment
- b. A loss of 30,000 to 50,000 jobs over several years**
- c. An increase in public sector jobs and a loss in industrial sector jobs
- d. No major change to the employment sector

## Question 47

The main investors in Africa are currently

- a. China**
- b. The EU
- c. The USA
- d. Latin America

## Question 48

Latin America is rich in

- a. Nickel and rare metals
- b. Copper and Lithium
- c. Oil
- d. All of the above**

## Question 49

To control Latin America, the USA wanted to

- a. Create the Free Trade Area of the Americas**
- b. Invade Brazil and Argentina
- c. Join MERCOSUR
- d. Promote the South American dollar

## Question 50

The EU-MERCOSUR agreement is also known as

- a. The death blow to EU agriculture
- b. The ethanol deal
- c. Industry for Agriculture
- d. Cars for Cows**