

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

Poor question, since COVID increased French 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

China's largest trade partner is

- a. The USA (582bn)
- b. Europe (732bn)**
- 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 (*poor question*)

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