



1. Scarcity is inevitable and is central to economic problems.
 - a. unavoidable
 - b. unknown
 - c. unlimited
 - d. impossible
2. You can be paid in cash weekly or by cheque monthly; those are the two alternatives.
 - a. choices
 - b. results
 - c. answers
 - d. solutions
3. Libya is a major oil
 - a. productive
 - b. production
 - c. producer
 - d. produced
4. In our interdependent world, can monetary crises in Mexico, Poland, or Zaire threaten our economic welfare?
 - a. happen
 - b. endanger
 - c. solve
 - d. concern
5. We have listed a few of today's important issues on which economic analysis is designed to shed light.
 - a. problems
 - b. consequences
 - c. debts
 - d. loans
6. A large sum has been for buying new books for the library.
 - a. allocated
 - b. allocation
 - c. allocate
 - d. allocates



7. Governments derive their authority to form and carry out policy from their police power.
- get
 - predict
 - lean
 - rely
8. Given the goals, the economists would next ask how well the proposal meets them.
- frames
 - needs
 - nets
 - aims
9. Age and experience will be factors in our choice of candidate.
- determiner
 - determine
 - determination
 - determining
10. There are four traditional functions of money, of which the medium of exchange is the first.
- Events
 - purposes
 - members
 - ceremonies
11. There is an inherent in the acceptance of money.
- circularity
 - payment
 - behavior
 - medium
12. Insurance companiesships and their cargoes against expected losses.
- insured
 - insure
 - insurance
 - to insure

13. The great macroeconomists have all had a keen interest in the **applications** of macrotheory to problems of policy making.

- a. permissions
- b. requests
- c. uses
- d. determinations

14. GNP may be defined as

- a. the system of money that a country uses.
- b. the total value of all the goods and services produced by a country in one year, including the total income from foreign countries.
- c. the study of large economic systems, such as those of whole countries or areas of the world.
- d. the total value of all the goods and services produced by a country in one year.

15. The scores with the first round totals to decide the winner.

- a. aggregates
- b. aggregation
- c. aggregator
- d. were aggregated

16. This figure shows large **fluctuations** of the rates of inflation and unemployment.

- a. flows
- b. ups and downs
- c. demands
- d. disorders

17. **Deflating** the value of the dollar means more currency is needed to acquire goods.

- a. Reducing
- b. Excluding
- c. Filing
- d. Transacting

18. I paid the cheque into my savings

- a. accountancy
- b. account
- c. accountant
- d. accountable



19. If the economy is close to full employment, increased aggregate demand will be reflected primarily in higher prices.

- a. shown
- b. spent
- c. decreased
- d. increased

20. The bank depreciates PCs over a period of five years.

- a. reduces
- b. ranges
- c. profits
- d. uses

21. Your money would more in a high-interest account.

- a. cost
- b. earn
- c. measure
- d. borrow

22. More labor supply leads to more goods and services.

- a. works with
- b. brings in
- c. results in
- d. spends on

23. Who is the best candidate in your estimation?

- a. opinion
- b. regression
- c. relationship
- d. quantity

24. The government provided an £25 million to expand the service.

- a. addition
- b. add
- c. additional
- d. additionally



25. The increase will not be in excess of two per cent.

- a. less than
- b. additional
- c. more than
- d. marginal

26. Are you in cash or by credit card?

- a. payable
- b. pay
- c. payment
- d. paying

27. Changes in farming methods have badly affected in the area.

- a. employer
- b. employed
- c. employment
- d. employee

28. We have achieved an equilibrium in the economy.

- a. balance
- b. reduction
- c. participation
- d. phenomenon

29. These sentences form part of the between buyer and seller.

- a. macroeconomy
- b. disagreement
- c. organization
- d. contract

30. Cigarette smoking multiplies the risk of cancer.

- a. increases
- b. refrains
- c. refreshes
- d. improves