

Macroeconomic Objectives

Multiple-Choice Questions

GCE A-LEVEL





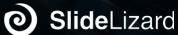
Changes in real GDP are used to measure:

A Inflation

The level of employment

C Economic growth

The distribution of income







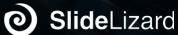
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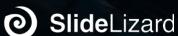
Inflation is usually low when an economy enters into recession. This is most likely because:

Consumers' spending on imports rise

The Bank of England may reduce the interest rate

C Unemployment is high and firms have spare capacity

The government's tax revenue falls







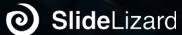
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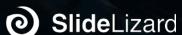
Which one of the following is the most likely reason for a fall in the unemployment rate?

A Increasing unemployment benefit payments

B Decreasing real GDP

Increasing consumer spending

Decreasing funding for apprenticeships







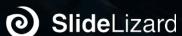
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Education





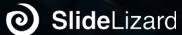
A budget deficit is most likely to occur when...

Government spending > Tax revenue

Direct and indirect taxes are reduced

Value of imports > Value of exports

Volume of imports > Volume of exports







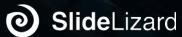
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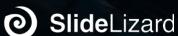
All other things remaining the same, which of the following would directly increase the size of the UK's national debt? An increase in...

Mortgage borrowing from UK banks

Overseas lending to UK firms

The UK government's budget deficit

The UK's current account deficit







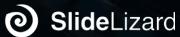
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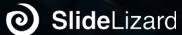




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- Falling growth in the world economy
- A rise in international competitiveness of goods

- An increase in domestic productivity
- Increasing growth in the world economy







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