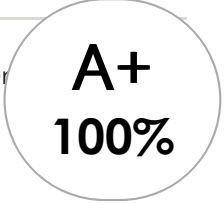


12 Multiple choice questions



A+
100%

1. policies that are aimed at individual industries, seeking to increase aggregate supply by increasing the productivity of procedures
 - a. economic policy mix
 - b. macroeconomic policy
 - c. **CORRECT: microeconomic policy**
 - d. economic growth

2. keeping inflation, or the increase in general price level at a reasonable level
 - a. **CORRECT: price stability**
 - b. current account
 - c. quality of life
 - d. external stability

3. the use of government policies to influence the economy with the aims of reducing large fluctuation in the level of economic activity and achieving certain economic goals
 - a. economic policy mix
 - b. microeconomic policy
 - c. economic growth
 - d. **CORRECT: macroeconomic policy**

4. the part of the balance of payments that show the receipts and payments for trade in goods and services, as well as both primary and secondary income flows between Australia and the rest of the world in a given time period; these are non-reversible transactions
 - a. price stability
 - b. quality of life
 - c. **CORRECT: current account**
 - d. economic growth

5. involves conserving and enhancing the community's resources so that ecological processes and quality of life are maintained
 - a. **CORRECT: ecologically sustainable development**
 - b. balance of payments
 - c. economic policy mix
 - d. external stability

6. the overall wellbeing of individuals within a country according to their material living standards and a range of other indicators such as education levels, environmental quality and health standards
 - a. price stability
 - b. balance of payments
 - c. current account
 - d. **CORRECT: quality of life**

7. the record of transactions between Australia and the rest of the world during a given period, consisting of the current account and the capital and financial account
 - a. current account
 - b. price stability
 - c. **CORRECT: balance of payments**
 - d. quality of life

8. the level of unemployment at which there is no cyclical unemployment i.e. where the economy is a full employment
 - a. ecologically sustainable development
 - b. **CORRECT: the non-accelerating inflation rate of unemployment (NAIRU)**
 - c. the balance of payments constraint
 - d. balance of payments

9. refers to a situation where Australia is meeting its financial obligations to the rest of the world and its external accounts- the size of its current account deficit and the size of its foreign liabilities do not hinder it from achieving other economic objectives
 - a. quality of life
 - b. **CORRECT: external stability**
 - c. economic growth
 - d. price stability

10. reflects the extent to which a high current account deficit limits the speed at which the economy can grow
- CORRECT: the balance of payments constraint**
 - macroeconomic policy
 - current account
 - balance of payments
11. the combination of macroeconomic (fiscal and monetary) and microeconomic policies used by the government to achieve its economic objectives
- CORRECT: economic policy mix**
 - economic growth
 - microeconomic policy
 - macroeconomic policy
12. an increase in the volume of goods and services produced in an economy over a given time period, measured by the rate of change in GDP
- microeconomic policy
 - economic policy mix
 - CORRECT: economic growth**
 - macroeconomic policy