10. Government macroeconomic intervention (A Level)Starter Quiz ·课前小测

A-Level Economics Name: ______________ Score: ______

1. Which set best lists the main macroeconomic objectives?
   - ☐ growth, low unemployment, price stability, balance of payments
   - ☐ high taxes, high spending, low wages
   - ☐ profit, revenue, market share
   - ☐ imports, exports, tariffs
2. The Phillips curve shows a short-run trade-off between:
   - ☐ unemployment and inflation
   - ☐ growth and the exchange rate
   - ☐ imports and exports
   - ☐ tax and spending
3. Structural unemployment is best tackled by:
   - ☐ supply-side policy (e.g. retraining)
   - ☐ demand stimulus alone
   - ☐ raising interest rates
   - ☐ a weaker currency
4. In a deep recession, a government would most likely prioritise:
   - ☐ growth and employment
   - ☐ reducing the money supply
   - ☐ a trade surplus above all
   - ☐ cutting all spending
5. Rapid economic growth can worsen the current account because it:
   - ☐ sucks in more imports
   - ☐ reduces all spending
   - ☐ lowers incomes
   - ☐ cuts exports to zero
6. Pursuing faster growth can conflict with controlling inflation.

   ☐ True ☐ False

7. Many economists argue the unemployment–inflation trade-off holds only in the short run.

   ☐ True ☐ False

8. Crowding out is when heavy government borrowing reduces private investment.

   ☐ True ☐ False

9. Because objectives conflict, policy always involves making _________.

   ____

10. The curve showing the inflation–unemployment trade-off is named after _________.

    ____

1. **growth, low unemployment, price stability, balance of payments**

   These four (plus equity and the environment) are the standard objectives.

2. **unemployment and inflation**

   Lower unemployment tends to come with higher inflation in the short run.

3. **supply-side policy (e.g. retraining)**

   Structural problems need supply-side fixes; demand stimulus won't give workers the right skills.

4. **growth and employment**

   When output and jobs are falling, reviving growth and employment comes first.

5. **sucks in more imports**

   Higher incomes raise import spending, widening a trade deficit.

6. **True**

   A booming economy can overheat, pushing up prices — a classic conflict.

7. **True**

   In the long run unemployment tends back to its natural rate regardless of inflation.

8. **True**

   Government borrowing can raise interest rates and squeeze private investment.

9. **trade-offs**

   No policy improves every objective at once.

10. **Phillips**

    The Phillips curve.