



Sample test - school round 2019/2020

Student Instructions

Every question has only one correct answer, for which you will receive one point. No points are deducted for incorrect answers. There are a total of 20 questions, for which you have 40 minutes of testing time.

学生须知

每个问题只有一个正确答案，答对得 1 分。答错不扣分。总共有 20 个问题，共 40 分钟的测试时间。命题以《曼昆经济学原理》为依据，由 2002 年诺贝尔经济学奖获得者 Vernon L. Smith 为主席领导的学术委员会官方命题。

1. Economics is the science concerned with:

- a. The internal structure of atoms
- b. Pathological illnesses within a given population
- c. Only money
- d. The optimal allocation of scarce resources between alternative uses
- e. The popularity of commercial television and radio

2. Adam Smith's 'Invisible Hand of the Market' means:

- a. That even though individuals utilize their capital to maximize their own profits, benefits also accrue to the wider community, which was not their primary intention
- b. That each person is led to work for and supply goods to those for whom they feel the greatest affection, even though this benefits others at one's own expense
- c. The steady creep of state taxation
- d. The growth of the wealth of the richest classes at the expense of the workers
- e. The gradual depletion of natural resources that Smith observed under capitalism

3. J.M. Keynes authored the book:

- a. Capitalism and Freedom
- b. Capital
- c. Principles of Economics
- d. Production of Commodities by Means of Commodities
- e. General Theory of Employment, Interest, and Money

4. **Mr. Smith lowered the price of his apples for the month of June, yet there was no change in the quantity of apples he sold. His friend Gary, an economist, correctly explained that the lower price should increase the quantity sold, but this increase was counter balanced by the lower demand for apples in June due to:**
- a. The price increase for Mr. Jones's pears
 - b. The decline in consumer income
 - c. The poor crop of Chilean apples
 - d. The fall of sales taxes for fuel
 - e. The fall in the price of puff pastry dough
5. **State rent control below the market price will lead to:**
- a. A surplus of units on the rental market
 - b. A shortage of units on the rental market
 - c. An increase in landlord profits
 - d. Destruction of the black market for rental properties
6. **Mayor John refused to give anyone except his brother a baker's license. Economists call this kind of market structure a/an:**
- a. Oligopoly
 - b. Perfect competition
 - c. Monopoly
 - d. Oligopsony
 - e. Duopoly
7. **A village baker realized that the market price of his baked goods has risen. If his goal is to maximize profits, he should:**
- a. Reduce output and hire new employees
 - b. Increase output and fire some of his employees
 - c. Reduce output and fire some of his employees
 - d. Leave output and hiring as they are
 - e. Increase output and hire new employees

8. **Mr. Novak is afraid that a neighboring country might launch missiles at his home, so he tries to convince his neighbors to support his plan to build a missile defense system. Mr. Novak eventually succeeds in convincing his neighbors and the missile defense system is constructed. However, within a few years, many people stop paying the system's maintenance fees. In economics, this is a typical instance of:**
- Private good, which is excludable from consumption
 - Private good, which is non-excludable from consumption
 - Public good, which is excludable from consumption
 - Public good, which is non-excludable from consumption
 - Free good, which is non-excludable from consumption
9. **A fairy-tale land has the following production structure: The farmer grows wheat on his field and sells it to the miller for 100 gold coins. The miller then sells his flour to the king's advisor for 250 gold coins. The king's advisor then brings bread to the market from his bakeries and sells it for 700 gold coins. The total GDP of this fiefdom will be:**
- 700
 - 1050
 - 950
 - 800
 - 350
10. **A country's economic development level is most often measured with the aid of:**
- The amount of money in circulation
 - The amount of money per capita
 - The exchange rate
 - GDP per capita
 - The unemployment rate
11. **The greater the amount of money in an economy, then usually the**
- Lower the prices tend to be
 - Lower the ratio of agricultural production to industry tends to be
 - Higher the prices tend to be
 - Higher the real interest rate tends to be
 - Higher real wages tend to be

12. The type of unemployment that refers to the length of a worker's search for a job and a suitable place of work is called:

- a. Structural
- b. Cyclical
- c. Involuntary
- d. Frictional
- e. Fictional

13. Which of the following offers has the lowest interest rate (on an annual basis)?

- a. A bank offers you a loan of 40 000 crowns to be paid back over a five-year period, with a yearly payment of 12 000 crowns. At the end of five years the loan will be paid off.
- b. A bank offers you a loan of 40 000 crowns to be paid back over a five-year period, with a monthly payment of 1 500 crowns. At the end of five years the loan will be paid off.
- c. A bank offers you a loan of 40 000 crowns with an annual interest rate of 30%.
- d. A bank offers you a loan of 40 000 crowns with a monthly interest rate of 3%.
- e. A bank offers you a loan of 40 000 crowns with a daily interest rate of 1%.

14. The weakening of currencies in a system of fixed exchange rates is called:

- a. Depreciation
- b. Appreciation
- c. Devaluation
- d. Revaluation
- e. Inflation

***15. The size of the Czech government debt at the end of 2016 was approximately:**

- a. 1 800 000 000 000 CZK
- b. 180 000 000 000 CZK
- c. 1 800 000 000 000 000 CZK
- d. 18 000 000 000 CZK
- e. 0

16. Which of the following countries has the highest public debt-to-GDP ratio by 2020?

- a. Greece
- b. Italy
- c. Germany
- d. France
- e. Latvia

***17. The Czech Republic, as a member state of the EU, [fill in the blank] autonomously increase customs duties on imported goods.**

- a. Can, with the EU approval
- b. Cannot
- c. Can, with the approval of the Czech parliament
- d. Can, with the approval of the Czech government
- e. Can, with the approval of the Czech President

18. The central function of a commercial bank is:

- a. Administer state deposits and provide the state with loans
- b. Print money
- c. Withdraw money from circulation
- d. Administer deposits from residents and provide business loans
- e. Provide foreign countries with development funds

19. What is the principle of progressive taxation?

- a. Taxes do not vary with regards to taxpayer income - every taxpayer pays a fixed amount
- b. Taxpayers with both high and low salaries pay the same proportion of their income
- c. Taxpayers with high incomes have a lower tax percentage than those with low incomes because of progressive deductions for dependent children
- d. No one pays any taxes
- e. Taxpayers with high incomes pay a greater percentage of their income in taxes than taxpayers with low incomes

***20. The greatest proportion of the government revenue in the Czech Republic comes from:**

- a. Printing money
- b. Seigniorage
- c. Taxes
- d. Fines
- e. Late payment fees

Answer

1. Answer: D
2. Answer: A
3. Answer: E
4. Answer: B
5. Answer: B

6. Answer: C
7. Answer: E
8. Answer: A
9. Answer: A
10. Answer: D

11. Answer: C
12. Answer: D
13. Answer: A
14. Answer: C
15. Answer: A

16. Answer: A
17. Answer: B
18. Answer: D
19. Answer: E
20. Answer: C