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Exam : **A6**

Title : Analysing the Supply Market

Version : DEMO

1. Q1 In economic theory, which of the following statements best describes what is available and what is wanted? (2 marks)

A. Time and motion

B. Supply and demand

C. Research and development

D. Input and output

Answer: B

2. Q2 Which of the following relationships best describes a small change in demand as a result of a large change in price? (2 marks)

A. Inelastic

B. Explicit

C. Implicit

D. Elastic

Answer: A

3. Q3 Which of the following best describes the pricing policy known as 'promotional pricing' ?(2 marks)

A. A high price aimed at quick recovery of costs

B. A price in line with that being charged by competitors

C. A temporary price reduction to increase sales in the short term

D. A low price set to gain a large share of the market.

Answer: C

4. Q4 Which of the following is the most likely consequence of government decreasing interest rates? (2 marks)

A. People spend more

B. People spend less

C. The economy slows down

D. The cost of borrowing goes up

Answer: A

5. Q5 Which of the following best defines the economic term 'budget surplus'?(2 marks)

A. Government expenditure equalling government revenue

B. Government revenues creating government expenditure

C. Government expenditure exceeding government revenue

D. Government revenue exceeding government expenditure

Answer: D

6. Q6 Which of the following best describes the '4Ps' of marketin (2 marks)

A. Promotion, Performance, Price, Place

B. Product, Price, Promotion, Place

C. Price, Placement, Product, Place

D. Performance, Product, Planning, Production

Answer: B

7. Q7 Which of the following describes people leaving one job and moving to another?(2 marks)

A. Structural unemployment

B. Frictional unemployment

C. Migrational unemployment

D. Cyclical unemployment

Answer: D

8. Q8 Which of the following best defines the term 'monetary policy'? (2 marks)

A. The control of taxation

B. The control over the amount of money in circulation and the cost of borrowing

C. The control of numbers of people unemployed compared to those employed

D. The control of wealth distribution

Answer: B

9. Q9 Which of the following best defines the term 'equilibrium price'?(2 marks)

A. The price at which the level of demand in a market exceeds the level of supply

B. The price at which all commodities are of equal value in a market

C. The price at which the level of supply in a market exceeds the level of demand

D. The price at which the level of supply in a market matches the level of demand.

Answer: D

10. Q10 Which of the following is a category of economic system? (2 marks)

A. Thriving economy

B. Balanced economy

C. Planned economy

D. Declining economy

Answer: C

11. Q1 Which of the following statements is correct about the relationship between supply and demand? (2 marks)

A. When the price of a product is high, the quantity demanded will be high and the quantity supplied will be low

B. When the price of a product is low, the quantity demanded will be low and the quantity supplied will be high

C. When the price of a product is high, the quantity demanded will be low and suppliers will be more willing to supply products

D. When the price of a product is low, the quantity demanded will be high and suppliers will be less willing to supply products.

Answer: C

12. Q2 Which of the following best defines the term 'Exchange rate'?(2 marks)

A. The amount of business transacted between one country and another during a year

B. The speed with which a company receives payment for goods or services sold

C. The extent of barter transactions in a particular country

D. The value of one country??Oscurrency measured against that of another.

Answer: D

13. Q3. Which of the following types of unemployment describes people leaving one job and moving to another? (2 marks)

A. Cyclical

B. Frictional

C. Moving

D. Structural

Answer: A

14. Q4 Which of the following headings would appear in the current account of a country's alance of payments? (2 marks)

A. Transactions in goods and services

B. Transactions in external assets and liabilities

C. Transactions in large sums of money

D. Transactions in stocks and shares

Answer: A

15. Q5 Which of the following best describes the pricing policy known as 'penetation' pricing? (2 marks)

A. A price in line with that being charged by competitors

B. A high price aimed at a quick recovery of costs

C. A low price set to gain a large share of the market

D. A temporary price reduction to increase sales in the short-term

Answer: C

16. Q6 'Fiscal' poicy is government policy controlling which of the following? (2 marks)

A. Inflation

B. Unemployment

C. Taxation

D. Wages

Answer: C

17. Q7 Which of the following best describes the economic term 'budget deficit'? (2 marks)

A. Government revenues exceeding government expenditure

B. Government expenditure equalling government revenue

C. Government revenues creating government expenditure

D. Government expenditure exceeding government revenue

Answer: D

18. Q8 Which of the following promotional methods can be described as 'below the line'?(2 marks)

A. Radio commercials

B. Sales leaflets and brochures

C. Internet banners

D. Cinema advertising

Answer: B

19. Q9 A 'balance of payments' is the record of which of the following during a year? (2 marks)

A. A country's moneary import and export transactions

B. Exchange rate movements

C. All payments made by a government department

D. All revenue from taxes received by a government

Answer: A

20. Q10 A PEST analysis is conducted on which of the following environments of a company? (2 marks)

A. External

B. Internal

C. Historical

D. Political

Answer: A