

ENTRANCE TRICKS PRIVATE

SCHOOL FIRST ROUND UNIVERSITY

ENTRANCE MODEL EXAMINATION

ECONOMICS, TIKIMT 2017/ NOV 2024

ENTRANCE TRICKS PRIVATE SCHOOL FIRST ROUND UNIVERSITY ENTRANCE MODEL
EXAMINATION ECONOMICS, TIKIMT 2016/ NOV 2024

BOOKLET CODE: 06

SUBJECT CODE: 06

Time Allowed: 02:00 HOURS

GENERAL DIRECTIONS

THIS BOOKLET CONTAINS *ENGLISH* EXAMINATION. THE CODE FOR THIS EXAMINATION IS **04** AND THE CODE FOR THIS PARTICULAR BOOKLET IS **04**.

IN THIS EXAMINATION, THERE ARE A TOTAL OF 80 **QUESTIONS**. EACH SECTION CONTAINS **MULTIPLE CHOICE QUESTIONS** CONSISTING OF FOUR POSSIBLE ANSWERS. CAREFULLY SELECT THE BEST ANSWER. YOU ARE ALLOWED TO WORK ON THE EXAM FOR 02:00 **HOURS**. BEFORE TIME IS CALLED, YOU MUST SUBMIT YOUR RESPONSES.

PLEASE MAKE SURE THAT YOU HAVE WRITTEN ALL THE REQUIRED INFORMATION ON THE NEXT SHEET BEFORE YOU START TO WORK ON THE EXAMINATION.

DO NOT FORGET SUBMIT YOUR ANSWERS BEFORE THE GIVEN TIME IS FINISHED

1. Email *

2. Full name

3. School name

4. Region

Check all that apply.

- ☐ Addis Ababa
- ☐ Dire Dawa
- ☐ Amhara
- ☐ Tigray
- ☐ Oromiya
- ☐ Afar
- ☐ Somali
- ☐ Benishangul Gumz
- ☐ Harari
- ☐ Gambela
- ☐ Central Ethiopia
- ☐ South west Ethiopia
- ☐ Sidama
- ☐ South Ethiopia

5. Sex

Check all that apply.

- ☐ Male
- ☐ Female

6. Phone number

7. 1.Which of the following best describes the concept of scarcity in economics? 1 point

Mark only one oval.

- ☐ a) The limited availability of resources relative to unlimited wants.
- ☐ b) The high cost of goods and services in a market economy.
- ☐ c) The unequal distribution of wealth and income in society.
- ☐ d) The inability of individuals to satisfy all their needs and desires.

8. 2.What is the fundamental economic problem that all societies face? 1 point

Mark only one oval.

- ☐ a) Inflation
- ☐ b) Unemployment
- ☐ c) Scarcity
- ☐ d) Inequality

9. 3.The concept of opportunity cost refers to: 1 point

Mark only one oval.

- ☐ a) The cost of producing a good or service.
- ☐ b) The value of the next best alternative forgone.
- ☐ c) The total cost of all resources used in production.
- ☐ d) The difference between total revenue and total cost.

10. 4.Which of the following is NOT a factor of production?

1 point

Mark only one oval.

- ☐ a) Land
- ☐ b) Labor
- ☐ c) Capital
- ☐ d) Technology

11. 5.What is the main difference between a microeconomic and a macroeconomic perspective?

1 point

Mark only one oval.

- ☐ a) Microeconomics focuses on individual markets, while macroeconomics focuses on the economy as a whole.
- ☐ b) Microeconomics deals with money, while macroeconomics deals with goods and services.
- ☐ c) Microeconomics is descriptive, while macroeconomics is prescriptive.
- ☐ d) Microeconomics uses qualitative data, while macroeconomics uses quantitative data.

12. 6.The law of demand states that

1 point

Mark only one oval.

- ☐ a) As the price of a good increases, the quantity demanded increases.
- ☐ b) As the price of a good increases, the quantity demanded decreases.
- ☐ c) As the price of a good decreases, the quantity supplied increases.
- ☐ d) As the price of a good decreases, the quantity supplied decreases.
- ☐ Option 2

13. 7.Which of the following factors can shift the demand curve for a good?

1 point

Mark only one oval.

- ☐ a) Changes in the price of the good.
- ☐ b) Changes in consumer income.
- ☐ c) Changes in the price of complementary goods.
- ☐ d) Both b) and c)

14. 8.The law of supply states that:

1 point

Mark only one oval.

- ☐ a) As the price of a good increases, the quantity supplied increases.
- ☐ b) As the price of a good increases, the quantity supplied decreases.
- ☐ c) As the price of a good decreases, the quantity supplied increases.
- ☐ d) As the price of a good decreases, the quantity supplied decreases.

15. 9.The cardinal utility approach assumes that:

1 point

Mark only one oval.

- ☐ a) Utility can be measured and compared numerically.
- ☐ b) Utility is subjective and cannot be measured.
- ☐ c) Utility is based on the relative value of goods.
- ☐ d) Utility is determined by the price of goods.

16. 10. Which of the following is a key difference between cardinal and ordinal utility? 1 point

Mark only one oval.

- ☐ a) Cardinal utility assumes that utility is measurable, while ordinal utility assumes it is not.
- ☐ b) Cardinal utility focuses on the total utility, while ordinal utility focuses on the marginal utility.
- ☐ c) Cardinal utility is based on preferences, while ordinal utility is based on prices.
- ☐ d) Cardinal utility is used for individual decisions, while ordinal utility is used for market analysis.

17. 11. The concept of indifference curves is associated with: 1 point

Mark only one oval.

- ☐ a) Cardinal utility approach
- ☐ b) Ordinal utility theory
- ☐ c) The marginal rate of substitution
- ☐ d) Both b) and c)

18. 12. Which of the following statements about preferences is TRUE? 1 point

Mark only one oval.

- ☐ a) Preferences are always consistent and stable over time.
- ☐ b) Preferences are subjective and vary across individuals.
- ☐ c) Preferences are determined by the prices of goods.
- ☐ d) Preferences are always rational and logical.

19. 13. An indifference curve shows combinations of two goods that:

1 point

Mark only one oval.

- ☐ a) Provide the consumer with the same level of utility.
- ☐ b) Are the most affordable for the consumer.
- ☐ c) Maximize the consumer's total utility.
- ☐ d) Represent the consumer's budget constraint.

20. 14. An indifference set is a collection of:

1 point

Mark only one oval.

- ☐ a) All possible combinations of goods.
- ☐ b) All combinations of goods that give the consumer the same utility.
- ☐ c) All combinations of goods that the consumer can afford.
- ☐ d) All combinations of goods that maximize the consumer's utility.

21. 15. An indifference map is a graphical representation of:

1 point

Mark only one oval.

- ☐ a) The relationship between price and quantity demanded.
- ☐ b) The relationship between income and consumption.
- ☐ c) The consumer's preferences for different combinations of goods.
- ☐ d) The producer's cost curves.

22. 16.Which of the following is NOT a property of indifference curves?

1 point

Mark only one oval.

- ☐ a) Indifference curves are downward sloping.
- ☐ b) Indifference curves are convex to the origin.
- ☐ c) Indifference curves can intersect.
- ☐ d) Higher indifference curves represent higher levels of utility.

23. 17.The slope of an indifference curve at any point represents:

1 point

Mark only one oval.

- ☐ a) The price ratio of the two goods.
- ☐ b) The marginal utility of the two goods.
- ☐ c) The marginal rate of substitution (MRS) between the two goods.
- ☐ d) The consumer's budget constraint.

24. 18.The diminishing marginal rate of substitution (MRS) implies that:

1 point

Mark only one oval.

- ☐ a) As a consumer consumes more of one good, the willingness to give up another good decreases.
- ☐ b) As a consumer consumes more of one good, the willingness to give up another good increases.
- ☐ c) The consumer is indifferent between the two goods.
- ☐ d) The consumer is always willing to give up one good for another.

25. 19.The marginal rate of substitution (MRS) is equal to:

1 point

Mark only one oval.

- ☐ a) The ratio of the prices of the two goods.
- ☐ b) The ratio of the marginal utilities of the two goods.
- ☐ c) The slope of the indifference curve.
- ☐ d) Both b) and c)

26. 20.A perfect substitutes indifference curve is:

1 point

Mark only one oval.

- ☐ a) Linear and downward sloping.
- ☐ b) Convex to the origin.
- ☐ c) Concave to the origin.
- ☐ d) A horizontal line.

27. 21.A perfect complements indifference curve is:

1 point

Mark only one oval.

- ☐ a) Linear and downward sloping.
- ☐ b) Convex to the origin.
- ☐ c) L-shaped.
- ☐ d) A horizontal line.

28. 22.The indifference curve analysis helps economists understand:

1 point

Mark only one oval.

- ☐ a) Consumer preferences and choices.
- ☐ b) The relationship between supply and demand.
- ☐ c) The impact of government policies on the economy.
- ☐ d) The production possibilities frontier.

29. 23.Which of the following is NOT a factor that can influence a consumer's preferences?

1 point

Mark only one oval.

- ☐ a) Income
- ☐ b) Price of goods
- ☐ c) Taste and habits
- ☐ d) Advertising and marketing

30. 25.The concept of utility is used in economics to explain:

1 point

Mark only one oval.

- ☐ a) The satisfaction that consumers derive from consuming goods and services.
- ☐ b) The cost of producing goods and services.
- ☐ c) The efficiency of resource allocation.
- ☐ d) The impact of government policies on the economy.

31. 26.Which of the following is a key application of indifference curve analysis 1 point

Mark only one oval.

- ☐ a) Predicting consumer demand for goods and services.
- ☐ b) Designing marketing strategies for new products.
- ☐ c) Evaluating the effectiveness of government policies.

32. 27.The budget line represents: 1 point

Mark only one oval.

- ☐ a) All combinations of goods that a consumer can afford.
- ☐ b) The consumer's preferences for different combinations of goods.
- ☐ c) The producer's cost curves.
- ☐ d) The market equilibrium for a good.

33. 28.The slope of the budget line is determined by: 1 point

Mark only one oval.

- ☐ a) The consumer's income.
- ☐ b) The prices of the two goods.
- ☐ c) The consumer's preferences.
- ☐ d) The marginal rate of substitution.

34. 29. Which of the following factors will NOT shift the budget line?

1 point

Mark only one oval.

- ☐ a) Change in the consumer's income.
- ☐ b) Change in the price of one good.
- ☐ c) Change in the consumer's preferences.
- ☐ d) Change in the price of both goods.

35. 30. An increase in the consumer's income will cause the budget line to:

1 point

Mark only one oval.

- ☐ a) Shift outwards, parallel to the original budget line.
- ☐ b) Shift inwards, parallel to the original budget line.
- ☐ c) Become steeper.
- ☐ d) Become flatter.

36. 31. The point of tangency between an indifference curve and the budget line represents:

1 point

Mark only one oval.

- ☐ a) The consumer's most preferred combination of goods.
- ☐ b) The most affordable combination of goods.
- ☐ c) The point where the consumer's utility is maximized.
- ☐ d) All of the above.

37. 32.If the price of one good increases, the consumer's equilibrium will:

1 point

Mark only one oval.

- ☐ a) Shift to a higher indifference curve.
- ☐ b) Shift to a lower indifference curve.
- ☐ c) Remain unchanged.
- ☐ d) It depends on the nature of the goods.

38. 33.The price consumption curve (PCC) shows:

1 point

Mark only one oval.

- ☐ a) The relationship between the price of a good and the quantity demanded.
- ☐ b) The relationship between the consumer's income and the quantity demanded.
- ☐ c) The different combinations of goods consumed as the price of one good changes.
- ☐ d) The different combinations of goods consumed as the consumer's income changes.

39. 34.The demand curve for a good can be derived from:

1 point

Mark only one oval.

- ☐ a) The production possibilities frontier.
- ☐ b) The indifference curve analysis.
- ☐ c) The price consumption curve.
- ☐ d) Both b) and c)

40. 35. A change in the consumer's income will affect:

1 point

Mark only one oval.

- ☐ a) The slope of the demand curve.
- ☐ b) The position of the demand curve.
- ☐ c) Both a) and b)
- ☐ d) None of the above.

41. 36. The concept of consumer surplus refers to:

1 point

Mark only one oval.

- ☐ a) The difference between the total amount consumers are willing to pay for a good and the amount they actually pay.
- ☐ b) The difference between the total cost of producing a good and the total revenue from selling it.
- ☐ c) The difference between the marginal utility of a good and its price.
- ☐ d) The difference between the consumer's income and their expenditure on goods.

42. 37. The concept of consumer equilibrium is based on the assumption that consumers are:

1 point

Mark only one oval.

- ☐ a) Rational and seek to maximize their utility.
- ☐ b) Irrational and make impulsive decisions.
- ☐ c) Primarily motivated by price.
- ☐ d) Unconcerned about the value of their purchases.

43. 38.The analysis of budget lines and consumer equilibrium helps economists understand: 1 point

Mark only one oval.

- ☐ a) How consumers make choices in the face of scarcity.
- ☐ b) The determinants of demand for goods and services.
- ☐ c) The impact of price changes and income changes on consumer behavior.
- ☐ d) All of the above.

44. 39.Which of the following is NOT a characteristic of perfect competition? 1 point

Mark only one oval.

- ☐ a) Many buyers and sellers
- ☐ b) Homogeneous products
- ☐ c) Free entry and exit
- ☐ d) Price-setting firms

45. 40.In perfect competition, the demand curve facing an individual firm is: 1 point

Mark only one oval.

- ☐ a) Downward sloping
- ☐ b) Perfectly elastic
- ☐ c) Perfectly inelastic
- ☐ d) Unit elastic

46. 41. What is the relationship between marginal revenue (MR) and price (P) in perfect competition? 1 point

Mark only one oval.

- ☐ a) $MR > P$
- ☐ b) $MR < P$
- ☐ c) $MR = P$
- ☐ d) $MR = 0$

47. 42. In the short run, a perfectly competitive firm will shut down if: 1 point

Mark only one oval.

- ☐ a) Price is below average total cost.
- ☐ b) Price is below average variable cost.
- ☐ c) Price is below marginal cost.
- ☐ d) Price is above marginal cost.

48. 43. In the long run, a perfectly competitive firm will earn: 1 point

Mark only one oval.

- ☐ a) Economic profits.
- ☐ b) Normal profits.
- ☐ c) Losses.
- ☐ d) It depends on the firm's efficiency.

49. 44. Which of the following is a characteristic of a pure monopoly?

1 point

Mark only one oval.

- ☐ a) Many buyers and sellers
- ☐ b) Homogeneous products
- ☐ c) Free entry and exit
- ☐ d) A single seller

50. 45. In a monopoly, marginal revenue is always:

1 point

Mark only one oval.

- ☐ a) Greater than price.
- ☐ b) Less than price.
- ☐ c) Equal to price.
- ☐ d) Equal to zero.

51. 46. Price discrimination occurs when a monopolist:

1 point

Mark only one oval.

- ☐ a) Charges different prices to different consumers for the same product.
- ☐ b) Charges a higher price to consumers with a higher willingness to pay.
- ☐ c) Charges a lower price to consumers with a lower willingness to pay.
- ☐ d) All of the above.

52. 47. Which of the following is a potential benefit of a monopoly?

1 point

Mark only one oval.

- ☐ a) Lower prices for consumers.
- ☐ b) Higher output than in perfect competition.
- ☐ c) Innovation and technological advancement.
- ☐ d) Increased consumer choice.

53. 48. Which of the following market structures is characterized by a high degree of product differentiation? 1 point

Mark only one oval.

- ☐ a) Perfect competition
- ☐ b) Monopolistic competition
- ☐ c) Oligopoly
- ☐ d) Monopoly

54. 49. Which of the following is NOT a factor that can influence the demand curve for a product?

1 point

Mark only one oval.

- ☐ a) Price of the product.
- ☐ b) Consumer income.
- ☐ c) Price of related goods.
- ☐ d) Government regulations.

55. 50.The concept of "marginal cost" refers to:

1 point

Mark only one oval.

- ☐ a) The total cost of producing a good or service.
- ☐ b) The cost of producing one additional unit of a good or service.
- ☐ c) The cost of producing all units of a good or service.
- ☐ d) The cost of producing the first unit of a good or service.

56. 50.Which of the following is NOT a source of product differentiation in monopolistic competition?

1 point

Mark only one oval.

- ☐ a) Physical characteristics
- ☐ b) Location
- ☐ c) Brand name and reputation
- ☐ d) Homogeneous products

57. 51.In the short run, a monopolistically competitive firm can earn:

1 point

Mark only one oval.

- ☐ a) Economic profits
- ☐ b) Normal profits
- ☐ c) Losses
- ☐ d) Any of the above

58. 52. In the long run, a monopolistically competitive firm will earn:

1 point

Mark only one oval.

- ☐ a) Economic profits.
- ☐ b) Normal profits.
- ☐ c) Losses.
- ☐ d) It depends on the firm's efficiency.

59. 53. The concept of an "industry" in monopolistic competition is:

1 point

Mark only one oval.

- ☐ a) A group of firms producing identical products.
- ☐ b) A group of firms producing similar products, but not identical.
- ☐ c) A group of firms producing differentiated products.
- ☐ d) All of the above.

60. 54. Which of the following is a characteristic of an oligopoly?

1 point

Mark only one oval.

- ☐ a) Many buyers and sellers
- ☐ b) Homogeneous products
- ☐ c) Free entry and exit
- ☐ d) Few firms with significant market power

61. 55.Collusive oligopoly occurs when:

1 point

Mark only one oval.

- ☐ a) Firms in an industry compete fiercely on price and output.
- ☐ b) Firms in an industry agree to cooperate on price and output.
- ☐ c) Firms in an industry differentiate their products.
- ☐ d) Firms in an industry have no market power.

62. 56.Non-collusive oligopoly occurs when:

1 point

Mark only one oval.

- ☐ a) Firms in an industry cooperate on price and output.
- ☐ b) Firms in an industry compete fiercely on price and output.
- ☐ c) Firms in an industry differentiate their products.
- ☐ d) Firms in an industry have no market power.

63. 57.Which of the following is a potential outcome of collusion among oligopolistic firms?

1 point

Mark only one oval.

- ☐ a) Higher prices for consumers.
- ☐ b) Lower output than in perfect competition.
- ☐ c) Reduced innovation.
- ☐ d) All of the above.

64. 58. Which of the following market structures is most likely to be characterized by advertising and marketing efforts? 1 point

Mark only one oval.

- ☐ a) Perfect competition
- ☐ b) Monopolistic competition
- ☐ c) Oligopoly
- ☐ d) Both b) and c)

65. 59. Which of the following market structures is most likely to exhibit strategic interdependence among firms? 1 point

Mark only one oval.

- ☐ a) Perfect competition
- ☐ b) Monopolistic competition
- ☐ c) Oligopoly
- ☐ d) Monopoly

66. 60. Which of the following is a potential problem with collusive oligopoly? 1 point

Mark only one oval.

- ☐ a) It can lead to higher prices for consumers.
- ☐ b) It can reduce innovation.
- ☐ c) It can be difficult to maintain.
- ☐ d) All of the above.

67. 61.Which of the following is a potential solution to the problem of oligopoly? 1 point

Mark only one oval.

- ☐ a) Antitrust laws
- ☐ b) Regulation
- ☐ c) Promoting competition
- ☐ d) All of the above.

68. 62.Which of the following is NOT a key factor influencing the success of collusion in oligopoly? 1 point

Mark only one oval.

- ☐ a) The number of firms in the industry.
- ☐ b) The degree of product differentiation.
- ☐ c) The ease of entry and exit.
- ☐ d) The level of government regulation.

69. 63.Which of the following is a key difference between monopolistic competition and oligopoly? 1 point

Mark only one oval.

- ☐ a) Monopolistic competition has many firms, while oligopoly has few firms.
- ☐ b) Monopolistic competition has differentiated products, while oligopoly has homogeneous products.
- ☐ c) Monopolistic competition has free entry and exit, while oligopoly has barriers to entry.
- ☐ d) Both a) and c)

70. 64. The study of market structures is important because it helps economists understand: 1 point

- a) How firms compete in different market environments.
- b) The determinants of price and output in different industries.
- c) The impact of market structures on consumer welfare.
- d) All of the above.

Mark only one oval.

☐ Option 1

71. 65. What is the primary goal of national income accounting? 1 point

Mark only one oval.

- ☐ a) To measure the overall health of the economy.
- ☐ b) To track the flow of money in the economy.
- ☐ c) To predict future economic growth.
- ☐ d) To determine the optimal level of government spending.

72. 66. Which of the following is NOT a major macroeconomic aggregate measured by national income accounting? 1 point

Mark only one oval.

- ☐ a) Gross Domestic Product (GDP)
- ☐ b) Inflation
- ☐ c) Unemployment
- ☐ d) National Income

73. 67.The difference between GDP and GNP is:

1 point

Mark only one oval.

- ☐ a) GDP includes only domestically produced goods and services, while GNP includes all goods and services produced by a country's residents, regardless of location.
- ☐ b) GDP measures the total value of goods and services produced, while GNP measures the total value of goods and services consumed.
- ☐ c) GDP is calculated at market prices, while GNP is calculated at factor cost.
- ☐ d) GDP is a flow variable, while GNP is a stock variable.

74. 68.What is the difference between nominal GDP and real GDP?

1 point

Mark only one oval.

- ☐ a) Nominal GDP is adjusted for inflation, while real GDP is not.
- ☐ b) Real GDP is adjusted for inflation, while nominal GDP is not.
- ☐ c) Nominal GDP measures the value of goods and services at current prices, while real GDP measures the value of goods and services at constant prices.
- ☐ d) Real GDP measures the total value of goods and services produced, while nominal GDP measures the total value of goods and services consumed.

75. 69.The expenditure approach to calculating GDP includes which of the following components?

1 point

Mark only one oval.

- ☐ a) Consumption, investment, government spending, and net exports.
- ☐ b) Wages, rent, interest, and profit.
- ☐ c) Value added at each stage of production.
- ☐ d) Changes in inventories.

76. 70. Which of the following is NOT a component of the National Income? 1 point

Mark only one oval.

- ☐ a) Compensation of employees.
- ☐ b) Gross operating surplus.
- ☐ c) Mixed income.
- ☐ d) Government expenditure on goods and services.

77. 71. What is the difference between Gross Domestic Product (GDP) and Net Domestic Product (NDP)? 1 point

Mark only one oval.

- ☐ a) GDP measures the value of all goods and services produced, while NDP subtracts the value of depreciation from GDP.
- ☐ b) GDP is a flow variable, while NDP is a stock variable.
- ☐ c) GDP is calculated at market prices, while NDP is calculated at factor cost.
- ☐ d) GDP includes only domestically produced goods and services, while NDP includes all goods and services produced by a country's residents, regardless of location.

78. 72. What is the concept of "value added" in national income accounting? 1 point

Mark only one oval.

- ☐ a) The difference between the market price of a good and its cost of production.
- ☐ b) The increase in the value of a good or service at each stage of production.
- ☐ c) The total value of goods and services produced in a given period.
- ☐ d) The difference between the market price of a good and its price in the previous period.

79. 73. Which of the following is a limitation of national income accounting? 1 point

Mark only one oval.

- ☐ a) It does not capture the value of non-market activities.
- ☐ b) It does not account for the distribution of income.
- ☐ c) It is not always accurate and can be subject to revisions.
- ☐ d) All of the above.

80. 74. The concept of "personal income" refers to: 1 point

Mark only one oval.

- ☐ a) The total income earned by individuals and households.
- ☐ b) The total income received by individuals and households after taxes and transfers.
- ☐ c) The total income earned by individuals and households from wages and salaries.
- ☐ d) The total income earned by individuals and households from investment income.

81. 75. What is the relationship between economic growth and national income accounting? 1 point

Mark only one oval.

- ☐ a) Economic growth is measured by the rate of change in national income.
- ☐ b) National income accounting is used to track economic growth over time.
- ☐ c) Both a) and b)
- ☐ d) There is no relationship between economic growth and national income accounting

82. 76.Which of the following is a key indicator of economic well-being?

1 point

Mark only one oval.

- ☐ a) GDP per capita.
- ☐ b) Inflation rate.
- ☐ c) Unemployment rate.
- ☐ d) All of the above.

83. 77.How is the concept of "inflation" related to national income accounting?

1 point

Mark only one oval.

- ☐ a) Inflation is measured by the rate of change in the price level.
- ☐ b) Inflation can distort national income statistics if they are not adjusted for price changes.
- ☐ c) Both a) and b)
- ☐ d) There is no relationship between inflation and national income accounting.

84. 78. The concept of "unemployment" is related to national income accounting because:

1 point

Mark only one oval.

- ☐ a) Unemployment is a major factor influencing economic growth.
- ☐ b) Unemployment can lead to a decrease in national income.
- ☐ c) National income accounting can be used to track changes in the unemployment rate.
- ☐ d) All of the above.

85. 79.What is the difference between "income" and "expenditure" in national income accounting?

1 point

Mark only one oval.

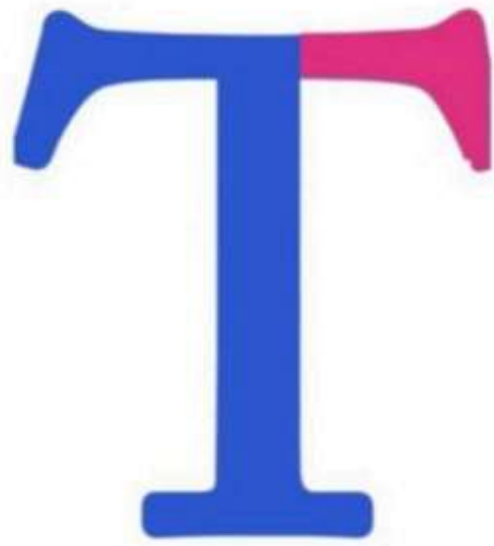
- ☐ a) Income refers to the total value of goods and services produced, while expenditure refers to the total value of goods and services consumed.
- ☐ b) Income is a flow variable, while expenditure is a stock variable.
- ☐ c) Income is measured at factor cost, while expenditure is measured at market prices.
- ☐ d) There is no difference between income and expenditure in national income accounting.

86. 80.Which of the following is a major challenge in measuring national income?

1 point

Mark only one oval.

- ☐ a) Accounting for the value of non-market activities.
- ☐ b) Accurately measuring inflation.
- ☐ c) Tracking changes in the quality of goods and services.
- ☐ d) All of the above.



Entrance Tricks

This content is neither created nor endorsed by Google.

Google Forms

