

World Economics Olympiad — Sample Paper

✨ Grade Group 6–8

1. **When people exchange goods without using money, it is called:**
 - A) Trade tax
 - B) Barter system
 - C) Loan
 - D) Donation
2. **If a country exports more than it imports, it has a:**
 - A) Trade surplus
 - B) Trade deficit
 - C) Balanced budget
 - D) Tax refund
3. **The price people pay to borrow money is called:**
 - A) Savings
 - B) Interest
 - C) Deposit
 - D) Dividend
4. **Which of these is an example of a public good?**
 - A) School
 - B) Car
 - C) Phone
 - D) Restaurant
5. **If prices keep rising every year, the economy is facing:**
 - A) Deflation
 - B) Recession
 - C) Inflation
 - D) Depression
6. **A farmer grows rice. This activity belongs to which sector?**
 - A) Primary
 - B) Secondary
 - C) Tertiary
 - D) Quaternary
7. **Which of these taxes is paid when buying goods?**
 - A) Income tax
 - B) GST
 - C) Wealth tax
 - D) Corporate tax
8. **A company that controls the entire supply of a product is called a:**
 - A) Monopoly
 - B) Partnership
 - C) Corporation
 - D) Joint venture

9. **If a country's population increases but resources stay the same, what happens?**
A) More jobs for everyone
B) Scarcity increases
C) Everyone gets richer
D) Inflation stops
10. **Which currency is used in European Union countries?**
A) Euro
B) Pound
C) Franc
D) Dollar

✨ Grade Group 9–11

11. **GDP measures:**
A) Total money in circulation
B) Total value of goods and services produced
C) Total exports minus imports
D) Money earned by government
12. **Which organization monitors world trade rules?**
A) IMF
B) WTO
C) UNDP
D) ILO
13. **When unemployment rises, consumer spending usually:**
A) Increases
B) Stays same
C) Decreases
D) Doubles
14. **The central bank of India is called:**
A) SBI
B) RBI
C) ICICI
D) HDFC
15. **A government spends more than its revenue. This is known as:**
A) Fiscal deficit
B) Budget surplus
C) Balance of payments
D) Trade balance
16. **Subsidy means:**
A) Extra tax charged on products
B) Price reduction by government support
C) Penalty for breaking rules
D) A free product given to consumers

- 17. When India exports IT services, it earns:**
A) Invisible exports
B) Visible exports
C) Import tax
D) Capital loss
- 18. A decrease in demand leads to:**
A) Higher prices
B) Lower prices
C) No change in prices
D) Government increases tax
- 19. In economics, opportunity cost refers to:**
A) Money borrowed from a friend
B) The best alternative forgone
C) The cheapest product
D) The highest price
- 20. A market where only a few firms dominate is called:**
A) Monopoly
B) Oligopoly
C) Duopoly
D) Free market

✨ Grade Group 11–12

- 21. Phillips curve shows the relationship between:**
A) Inflation and unemployment
B) Tax and spending
C) Savings and investment
D) Demand and supply
- 22. Fiscal policy is mainly concerned with:**
A) Money supply
B) Government spending and taxation
C) Interest rate regulation
D) Foreign exchange rates
- 23. Balance of payments records:**
A) Government budgets
B) All transactions with rest of the world
C) Internal borrowing
D) Rural development plans
- 24. Stagflation is a situation of:**
A) Inflation + rising GDP
B) Inflation + unemployment
C) Low inflation + low GDP
D) Zero inflation

- 25. Privatization means:**
- A) Selling public companies to private investors
 - B) Nationalizing private firms
 - C) Increasing government control
 - D) Setting up public enterprises
- 26. A progressive tax system implies:**
- A) Tax rate falls as income rises
 - B) Tax rate remains constant
 - C) Tax rate increases as income increases
 - D) No tax on rich
- 27. Depreciation of currency makes imports:**
- A) Cheaper
 - B) More expensive
 - C) Unaffected
 - D) Illegal
- 28. FDI stands for:**
- A) Foreign Direct Investment
 - B) Fixed Deposit Insurance
 - C) Fiscal Deficit Indicator
 - D) Free Domestic Investment
- 29. Inflation targeting is done by:**
- A) Parliament
 - B) Supreme Court
 - C) RBI
 - D) Finance Ministry
- 30. A Gini coefficient closer to 1 indicates:**
- A) Perfect equality
 - B) High inequality
 - C) Low unemployment
 - D) Balanced trade