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Microeconomics and macroeconomics

1 What is the study of particular markets and sections of the economy, rather than the economy as a whole, known as?

- A development economics
- B international economics
- C macroeconomics
- D microeconomics

2 What is the name of the study of economic behaviour and decision making of the whole economy, rather than individual markets?

- A development economics
- B international economics
- C macroeconomics
- D microeconomics

3 Which would be studied in microeconomics?

- A economic growth
- B employment and unemployment
- C inflation and deflation
- D labour markets

4 Which would be studied in macroeconomics?

- A market failure
- B market structures
- C price elasticity of demand
- D redistribution of income

5 Which is most likely to be a decision maker in macroeconomics?

- A entrepreneurs
- B firms
- C governments
- D individual households

6 Define the term *microeconomics*. [2 marks]

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7 Define the term *macroeconomics*. [2 marks]

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5 MICROECONOMICS AND MACROECONOMICS

8 Explain **two** types of decision makers affected by microeconomics.

[4 marks]

9 Explain **two** types of decision makers affected by macroeconomics.

[4 marks]

10 Facebook opened a new office in central London in 2018, creating 800 jobs in the process. The social media company first entered the UK in 2007, and earned revenue of £800 million in 2017. The investment was welcomed, especially given the uncertainties surrounding Brexit (the UK's exit from the European Union).

a Give one reason why Facebook might have chosen to expand its operations in the UK. [2 marks]

b Explain **two** benefits to the British economy of Facebook's decision to invest in the UK. [4 marks]
