

2012 Audit Exam

1. A country's government runs a budget deficit when which of the following occurs in a given year?
 - (A) The amount of new loans to developing nations exceeds the amount of loans paid off by developing nations.
 - (B) Government spending exceeds tax revenues.
 - (C) The debt owed to foreigners exceeds the debt owed to the country's citizens.
 - (D) The amount borrowed exceeds the interest payment on the national debt.
 - (E) Interest payments on the national debt exceed spending on goods and services.

2008 Audit Exam

49. Which of the following is NOT a function of fiat money?
 - (A) A standard of deferred payment
 - (B) A unit of account
 - (C) A source of intrinsic value
 - (D) A store of value
 - (E) A medium of exchange

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42. A barter economy is different from a money economy in that a barter economy
 - (A) encourages specialization and division of labor
 - (B) involves higher costs for each transaction
 - (C) eliminates the need for a double coincidence of wants
 - (D) has only a few assets that serve as a medium of exchange
 - (E) promotes market exchanges

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56. In the narrowest definition of money, M1, savings accounts are excluded because they are
 - (A) not a medium of exchange
 - (B) not insured by federal deposit insurance
 - (C) available from financial institutions other than banks
 - (D) a store of purchasing power
 - (E) interest-paying accounts