



Cyprus  
University of  
Technology

Department of Finance,  
Accounting and  
Management Science

COMPETITION

«MANAGE YOUR FINANCES SMARTLY,  
BUILD YOUR FUTURE WISELY»

**MOCK EXAM**

TOPICS IN ENGLISH



## GENERAL INSTRUCTIONS

- ✓ **Structure:**
  - The exam consists of 40 questions.
  - Total test time: 100 minutes.
  - The exam is divided into two topics as follows: 30 questions in economics and 10 questions in finance.
- ✓ All answers must be transferred to the answer sheet on the last page.
- ✓ Select only one answer for each question.
- ✓ Shade with a pen the cell corresponding to the answer you think is correct.
- ✓ The use of a simple (non-programmable) pocket calculator is allowed.
- ✓ The use of a dictionary for word translation is allowed. The dictionary must be clean, without any notes or extra sheets.
- ✓ **Grading:**
  - Correct answer: 4 points
  - Incorrect answer: deduction of 1 point
  - Unanswered question: does not affect the score

Copying or reproducing any part of the test, including questions and answers, is strictly **prohibited** without written permission from the competition organizers.

### Be Aware:

- This is a mock exam that includes a sample of questions from selected topics of the exam syllabus. **The mock exam does not cover the entirety of the material to be examined.**
- **Structure:**
  - The mock exam consists of 15 questions.
  - Time of mock exam paper 40 minutes
  - The mock exam is divided into two topics as follows: 12 questions in economics and 3 questions in finance.

## TOPICS IN ECONOMICS

### Question 1

You are given the following table corresponding to prices and quantities for a good:

Price (€)	Quantity (kg)
10	45
8	55
7	60
6	76
4	97

What kind of curve could the above numbers correspond to?

- A) Demand function
- B) Supply function
- C) Production Possibility Frontier
- D) Marginal Cost

### Question 2

Use the following table of a demand and supply prices and quantities for cans of Cyprus Cola

Price (€)	Quantity Supplied (kg)	Quantity Demanded (kg)
10	100	30
8	80	50
6	60	60
4	40	900
2	20	110

If the price in the market is 8, then

- A) There is equilibrium in the market
- B) There is excess demand
- C) There is excess supply
- D) Supply equals demand

### Question 3

1. Last year real GDP per person in Olympus was 4,500. The year before it was 4,250. What was the growth rate of real GDP per person?
  - A) 5.6 %
  - B) 5.9 %
  - C) 6.5 %
  - D) None of the above are correct.

**Question 4**

Which of the following is not one of the three basic dimensions of human development according to the Human Development Index (HDI)?

- A) Longevity
- B) Employment
- C) Education
- D) Per Capita Income

**Question 5**

There are 2 goods, Good A and Good B. When we increase the price of Good B, the demand of Good A decreases:

- A) This violates the law of demand for Good A
- B) The two goods are substitutes
- C) The two goods are supplements
- D) The two goods are inferior

**Question 6**

If a 30 percent change in price causes a 15 percent change in quantity supplied, then the price elasticity of supply is

- A) 0.5 and supply is elastic.
- B) 0.5 and supply is inelastic.
- C) 2 and supply is inelastic.
- D) 2 and supply is elastic.

**Question 7**

For which of the following goods is demand probably most inelastic?

- A) camcorders
- B) insulin
- C) apples
- D) kitchen mixer

**Question 8**

For a construction company that builds houses, which of the following costs would be a fixed cost?

- A) The €50,000 per year salary paid to a construction foreman
- B) The €30,000 per year salary paid to the company's bookkeeper
- C) The €10,000 per year premium paid to an insurance company
- D) All of the above are correct

**Question 9**

What is the marginal product of the fourth worker given the following table?

Number of workers	Output
0	0
1	50
2	110
3	180
4	260
5	330

- A) 65
- B) 70
- C) 75
- D) 80

**Question 10**

When firms are said to be price takers, it implies that if a firm raises its price,

- A) buyers will go elsewhere.
- B) buyers will pay the higher price in the short run.
- C) competitors will also raise their prices.
- D) firms in the industry will exercise market power.

**Question 11**

If a small country has current nominal GDP of \$20 billion and a GDP deflator of 50, what is its real GDP?

- A) \$100 billion
- B) \$40 billion
- C) \$10 billion
- D) \$4 billion

**Question 12**

According to the following table, what is the adult labor-force participation rate in Country X?

Country X	MALES (εκατ)	FEMALES (εκατ)
NOT IN LABOUR FORCE	45	35
UNEMPLOYED	5	5
EMPLOYED	85	65

- A) 4.20%
- B) 13.50%
- C) 38.50%
- D) 66.67%

**TOPICS IN FINANCE**

**Question 13**

Maria wants to invest €1.000 i but she is not sure how to distinguish between her available investment options in terms of risk. In order to help Maria choose the best investment for her needs, place the following investment options in ascending order of risk, from the lowest to the highest risk:

- (1) stocks of a new company
- (2) 1-month bank deposit
- (3) government bonds, and
- (4) mutual funds

- A) 1-month bank deposit – government bonds – stocks of a new company – mutual funds
- B) government bonds - 1-month bank deposit - mutual funds - stocks of a new company
- C) 1-month bank deposit – government bonds – mutual funds - stocks of a new company
- D) stocks of a new company –mutual funds – government bonds - 1-month bank deposit

**Question 14**

John deposits €50 per month from the age of 20 until the age of 40. Then he leaves the money in the account without additional deposits or withdrawals until the age of 65.

George deposits €50 per month from the age of 45 until the age of 65.

Both earn the same interest rate, 2% annually.

Who will have more money at the age of 65?

- A) John
- B) George
- C) They will have exactly the same amount
- D) We cannot know for certain (insufficient information)

**Question 15**

Anna aims to buy a car, so she deposits €350 every month into a car savings fund.

A few years later, Anna manages to save enough money and makes the down payment for the car.

What changes should be made to her monthly budget?

- A) Include the amount of the car as income in the budget.
- B) Include a fixed gas amount in her budgeted monthly expenses.
- C) Include the €350 car savings fund expense.
- D) Include gas, car maintenance, car insurance, and a monthly car loan payment in her monthly expenses.

### ANSWER SHEET

A/A				
<b>1</b>	A	B	C	D
<b>2</b>	A	B	C	D
<b>3</b>	A	B	C	D
<b>4</b>	A	B	C	D
<b>5</b>	A	B	C	D
<b>6</b>	A	B	C	D
<b>7</b>	A	B	C	D
<b>8</b>	A	B	C	D
<b>9</b>	A	B	C	D
<b>10</b>	A	B	C	D
<b>11</b>	A	B	C	D
<b>12</b>	A	B	C	D
<b>13</b>	A	B	C	D
<b>14</b>	A	B	C	D
<b>15</b>	A	B	C	D



**THE END OF THE MOCK EXAM**

## ANSWERS

A/A				
1	<input checked="" type="checkbox"/>	B	C	D
2	A	B	<input checked="" type="checkbox"/>	D
3	A	<input checked="" type="checkbox"/>	C	D
4	A	<input checked="" type="checkbox"/>	C	D
5	A	B	<input checked="" type="checkbox"/>	D
6	A	<input checked="" type="checkbox"/>	C	D
7	A	<input checked="" type="checkbox"/>	C	D
8	A	B	C	<input checked="" type="checkbox"/>
9	A	B	C	<input checked="" type="checkbox"/>
10	<input checked="" type="checkbox"/>	B	C	D
11	A	<input checked="" type="checkbox"/>	C	D
12	A	B	C	<input checked="" type="checkbox"/>
13	A	B	<input checked="" type="checkbox"/>	D
14	<input checked="" type="checkbox"/>	B	C	D
15	A	B	C	<input checked="" type="checkbox"/>

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