Module 11 Assessment

Identification Quiz (20 Items)

Direction: Identify the term, concept, institution, policy, or principle being described. Write your answer on the blank provided.

1. The system composed of financial institutions, markets, instruments, and regulatory agencies that facilitate the flow of funds in the economy.
   Answer: ____________________
2. The Philippine institution that influences interest rates through monetary policy.
   Answer: ____________________
3. A digital financial platform widely used in the Philippines for electronic payments and money transfers.
   Answer: ____________________
4. Financial instruments used by banks to reduce risks in international trade transactions.
   Answer: ____________________
5. The process of mobilizing domestic savings and attracting foreign investment to support economic growth.
   Answer: ____________________
6. A financial market consisting of regulated institutions operating under government supervision.
   Answer: ____________________
7. Government agencies that regulate organized financial institutions in the Philippines.
   Answer: ____________________
8. A financial market composed of informal lenders operating outside formal regulatory frameworks.
   Answer: ____________________
9. A condition in which government restrictions on financial markets are reduced and market forces play a larger role.
   Answer: ____________________
10. Government policies that artificially suppress financial market activities.
    Answer: ____________________

11. Businesses owned wholly or partially by the government.
    Answer: ____________________

12. The Philippine government-owned bank that supports agriculture and rural development.
    Answer: ____________________

13. The transfer of ownership or management of state-owned enterprises to the private sector.
    Answer: ____________________

14. The country's primary stock market where companies raise capital by selling shares.
    Answer: ____________________

15. The largest source of government revenue collected from individuals and businesses.
    Answer: ____________________

16. The principle of taxation stating that taxpayers should contribute according to their ability to pay.
    Answer: ____________________

17. The Philippine tax reform law that reduced personal income taxes and adjusted excise taxes.
    Answer: ____________________

18. The use of government spending, taxation, and borrowing to influence economic activity.
    Answer: ____________________

19. A fiscal policy that increases government spending and/or reduces taxes to stimulate economic activity.
    Answer: ____________________

20. A situation in which government expenditures exceed government revenues.
    Answer: ____________________

Answer Key

1. Financial System
2. Bangko Sentral ng Pilipinas (BSP)
3. GCash (or Maya)
4. Letters of Credit
5. Capital Formation
6. Organized Money Market
7. Bangko Sentral ng Pilipinas (BSP) and Securities and Exchange Commission (SEC)
8. Unorganized Money Market
9. Financial Liberalization
10. Financial Repression
11. State-Owned Enterprises (SOEs)
12. Land Bank of the Philippines
13. Privatization
14. Philippine Stock Exchange (PSE)
15. Tax Revenue
16. Equity
17. Tax Reform for Acceleration and Inclusion (TRAIN) Law
18. Fiscal Policy
19. Expansionary Fiscal Policy
20. Fiscal Deficit

Test II. Essay Questions (5 Items)

Direction: Answer each question in 5–10 sentences. Support your answers with relevant examples from the Philippines whenever possible.

1. Discuss the role of the financial system in economic development. How does it contribute to investment, trade, infrastructure development, and employment creation?
2. Compare and contrast organized and unorganized money markets. What are the advantages and disadvantages of each for borrowers and investors?
3. Explain the concepts of financial liberalization and financial repression. Why is it important for governments to balance market efficiency with financial regulation?
4. Evaluate the advantages and disadvantages of state-owned enterprises (SOEs) and privatization. Which approach do you think is more effective in promoting development?
5. Discuss the role of fiscal policy in economic development. How do expansionary and contractionary fiscal policies affect economic growth, inflation, and employment?

Suggested Scoring

- Identification: 20 items × 1 point = **20 points**
- Essay: 5 items × 10 points = **50 points**

Total = 70 points.