

Question 1

The U.S. imports Japanese cars with a domestic price of 5,000,000 yen and the yen/dollar exchange rate is 120 on January 1, 2003. On January 1, 2004 the yen/dollar exchange rate is 125. What is the dollar price of the cars on January 1, 2003? What is the dollar price of the cars on January 1, 2004?

Answer: <https://biology-forums.com/index.php?topic=544370>

Question 2

Macroeconomics is concerned with the behavior of all of the firms in a particular industry, while microeconomics focuses on a single firm in the same industry.

Answer: <https://biology-forums.com/index.php?topic=542968>

Question 3

Which of the following is an example of strategic entry deterrence?

- A) Marginal cost pricing.
- B) Limit pricing.
- C) Price leadership.
- D) Mark-up pricing.

Answer: <https://biology-forums.com/index.php?topic=543721>

Question 4

The currency deposit ratio, c , is 0.10. The reserve requirement, rr , is 0.07. The excess reserve ratio, e , is 0.10. What is the size of the money multiplier?

- A) 4.70
- B) 4.07
- C) 4.75
- D) 4.00

Answer: <https://biology-forums.com/index.php?topic=544090>

Question 5

Borrowing from another country that occurs when the country has a trade deficit and its citizens sell real and financial assets to foreigners is called a capital inflow.

Is this statement true or false, please advise

Answer: <https://biology-forums.com/index.php?topic=544347>

Question 6

Over time Americans have chosen to cook less at home and dine out more. This change in behavior:

- A) increases GDP.
- B) reduces GDP.
- C) does not affect GDP.
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=543877>

Question 7

The monetary base is \$1,000 billion and the money multiplier is 5.5. What is the size of the money supply?

Answer: <https://biology-forums.com/index.php?topic=544156>

Question 8

A simultaneous improvement in the technology used to produce computers and increase in the number of buyers in the computer market would cause the equilibrium price of computers to drop but have an uncertain effect on equilibrium quantity.

Answer: <https://biology-forums.com/index.php?topic=543085>

Question 9

Capital inflows occur if:

- A) domestic interest rates are higher than foreign interest rates.
- B) domestic interest rates are lower than foreign interest rates.
- C) domestic and foreign interest rates are the same.
- D) none of the above.

Answer: <https://biology-forums.com/index.php?topic=544300>

Question 10

You have the following information on personal consumption expenditures (C) and disposable income (Y_d):

Year C Y_d

1 300 400

2 500 700

- Compute the marginal propensity to consume.
- Compute the amount of savings for years 1 and 2.
- Compute the marginal propensity to save.

Answer: <https://biology-forums.com/index.php?topic=544055>

Question 11

Which of the following is true of the relationship between the marginal cost function and the average total cost and average variable cost functions?

- If MC is greater than ATC and AVC, then ATC and AVC will increase.
- The ATC and AVC curves intersect the MC curve at minimum MC.
- The MC curve, ATC curve, and AVC curve all intersect at the same point.
- At each level of output, MC is equal to difference between AVC and ATC.

Answer: <https://biology-forums.com/index.php?topic=543335>

Question 12

The difference between nominal and real exchange rates is:

- absolute prices.
- foreign prices.
- domestic prices.
- ratio of domestic prices to foreign prices.

Answer: <https://biology-forums.com/index.php?topic=544285>

Question 13

All else constant, an increase in the incomes of consumers in the market for diamonds would cause the supply of diamonds to increase.

Answer: <https://biology-forums.com/index.php?topic=543080>

Question 14

A movement down along a given isoquant causes the marginal rate of technical substitution to:

- increase.
- stay the same.
- decrease.
- cannot be determined without additional information.

Answer: <https://biology-forums.com/index.php?topic=543426>

Question 15

Between 1999 and 2007, the behavior of firms in the trucking industry closely matched the outcome predicted by the model of perfect competition.

Is this statement true or false, please advise

Answer: <https://biology-forums.com/index.php?topic=543572>

Question 16

McDonald's and its major competitors compete based:

- only on the price.
- only on the basis of product characteristics.
- on both the price and product characteristics.
- none of the above because the fast-food industry is perfectly competitive.

Answer: <https://biology-forums.com/index.php?topic=544384>

Question 17

An income tax system where higher tax rates are applied to increased amounts of income is called:

- a regressive tax system.
- a proportional tax system.
- a progressive tax system.
- a flat rate tax system.

Answer: <https://biology-forums.com/index.php?topic=544192>

Question 18

Assume a national brewing company loses market share to a lower-priced competitor. Assume also that the company's workers go on strike and are able to negotiate a hefty wage increase. As such, we can conclude, with certainty, that the combination of these two changes would cause the equilibrium price and quantity of the company's product to decrease.

Answer: <https://biology-forums.com/index.php?topic=543086>

Question 19

Assume the supply function for good X can be written as

$$Q_s = -100 + 27P_x - 5P_y - 1.8W$$

where P_x = the price of X,

P_y = the price of good Y, and

W = Wage index for workers in industry X.

This equation implies that X and Y are complements in production.

Answer: <https://biology-forums.com/index.php?topic=543073>

Question 20

In the general textbook treatment, the firm's short run average variable and average total cost curves are U-shaped, while the average fixed cost curve is downward sloping over the entire range of output. Explain why.

Answer: <https://biology-forums.com/index.php?topic=543377>