

Question 1

A player has a dominant strategy when:

- A) her chosen strategy gives her a lower payoff than the other player.
- B) her chosen strategy matches the best response of other players in the game.
- C) she has many best responses to any strategy of the other player in the game.
- D) she has only one best response to every possible strategy of the other player.

Answer: <https://biology-forums.com/index.php?topic=631470>

Question 2

What, according to Akerlof, causes the price difference between a one-year old used car and an unsold car manufactured by the same company in the same year?

Answer: <https://biology-forums.com/index.php?topic=631747>

Question 3

When a monopolist sells positive levels of output, its demand curve:

- A) lies below its marginal revenue curve.
- B) lies above its marginal revenue curve.
- C) and marginal revenue curve overlap.
- D) is vertical while its marginal revenue curve is horizontal.

Answer: <https://biology-forums.com/index.php?topic=631397>

Question 4

When is a price ceiling ineffective?

Answer: <https://biology-forums.com/index.php?topic=631159>

Question 5

Under what situations will a colluding firm cheat?

Answer: <https://biology-forums.com/index.php?topic=631536>

Question 6

Which of the following statements is true?

- A) The production possibilities curve of a nation is fixed in the long run.
- B) The production possibilities curve can only shift to the right.
- C) The production possibilities curve of an economy is concave to the origin.
- D) The slope of the production possibilities curve represents the ratio of the marginal cost of producing goods.

Answer: <https://biology-forums.com/index.php?topic=630795>

Question 7

A researcher wants to test the effects of daily meditation on stress levels of individuals. She divides the participants randomly into a treatment group and into a control group and conducts an experiment. She pays for meditation classes for one-half of the subjects, and the other half does not join the class. Which of the following statements is true of the two groups in this experiment?

- A) The participants in the treatment group are assigned by chance, whereas the ones in the control group are assigned by choice.
- B) The participants in the control group are assigned by chance, whereas the participants in the treatment group are assigned by choice.
- C) The treatment group is the group of subjects that receives finance from the researcher for meditation classes; the control group is the group that does not.
- D) The control group is the group of subjects that receives finance from the researcher to join the meditation class; the treatment group is the group that does not.

Answer: <https://biology-forums.com/index.php?topic=630049>

Question 8

_____ motivates charitable giving because individuals value helping others.

- A) Pure altruism
- B) Rationalism
- C) Impure altruism
- D) Consumerism

Answer: <https://biology-forums.com/index.php?topic=631889>

Question 9

If a buyer enjoys a consumer surplus of \$25 when he purchases a good for \$50, his willingness to pay for the good is _____.

- A) \$2
- B) \$25
- C) \$50
- D) \$75

Answer: <https://biology-forums.com/index.php?topic=630609>

Question 10

A good is said to have an elastic supply if its price elasticity of supply is:

- A) equal to zero.
- B) between zero and one.
- C) equal to one.
- D) greater than one.

Answer: <https://biology-forums.com/index.php?topic=630538>

Question 11

If a monopoly engages in first-degree price discrimination:

- A) social surplus is maximized.
- B) consumer surplus is maximized.
- C) producer surplus is minimized.
- D) the deadweight loss is maximized.

Answer: <https://biology-forums.com/index.php?topic=631435>

Question 12

Which of the following does NOT cause a shift in the supply curve for labor in an industry?

- A) Worker tastes and preferences
- B) Population of the concerned region
- C) Opportunity costs faced by the workers
- D) Price of the final good that the labor is used to produce

Answer: <https://biology-forums.com/index.php?topic=631245>

Question 13

Marginal revenue:

- A) is the change in total revenue associated with producing one more unit of output.
- B) is the product of the price of a good and its quantity sold minus the cost of production.
- C) is always greater than the total revenue.
- D) is always equal to the price of the good.

Answer: <https://biology-forums.com/index.php?topic=630514>

Question 14

A strategy is called a mixed strategy if it involves choosing _____.

- A) one particular action for a situation
- B) different actions randomly
- C) an action that yields a higher payoff to the opponent
- D) an action that yields zero payoff to the player

Answer: <https://biology-forums.com/index.php?topic=631478>

Question 15

Define discounted value of a future payment.

Answer: <https://biology-forums.com/index.php?topic=631665>

Question 16

Which of the following is true if the production of a good gives rise to a positive externality?

- A) The marginal social benefit from each level of output exceeds the consumers' willingness to pay.
- B) The marginal private benefit from production exceeds the marginal social benefit.
- C) The demand curve for the good shifts to the left in the presence of positive externalities.
- D) The demand curve for the good shifts to the right in the presence of positive externalities.

Answer: <https://biology-forums.com/index.php?topic=630926>

Question 17

When positive economic profits exist in an industry:

- A) the market price of the good produced by the industry is less than the average total cost of the industry.
- B) resources flow from less productive uses to that particular industry.
- C) there is an exit of firms from the industry.
- D) the market price of the good produced by the industry is less than the marginal cost faced by the industry.

Answer: <https://biology-forums.com/index.php?topic=630673>

Question 18

Making choices by selecting the best feasible option, given the available information is referred to as:

- A) delegation.
- B) imposition.
- C) actualization.
- D) optimization.

Answer: <https://biology-forums.com/index.php?topic=630083>

Question 19

A profit-maximizing monopolistic competitor continues production until _____.

- A) marginal revenue exceeds marginal cost
- B) marginal revenue equals marginal cost
- C) marginal revenue exceeds average revenue
- D) marginal revenue equals average revenue

Answer: <https://biology-forums.com/index.php?topic=631547>

Question 20

A curve that shows the various combinations of goods and services that are possible for an economy to produce with a given amount of resources is referred to as a(n):

- A) supply curve.
- B) isocost curve.
- C) budget constraint.
- D) production possibilities curve.

Answer: <https://biology-forums.com/index.php?topic=630743>