Question 1

Suppose TC = 10 + (0.1 * q2). If there are 100 identical firms in the market, the market supply curve is
A) Q = 1000 * p.
B) Q = 500 * p.
C) Q = 100 * p.
D) Q = 10.
Answer: https://biology-forums.com/index.php?topic=785294

Question 2

At Albert's Pretzel Company, MPL = 1/L, and MPK = 1/K. The isoquant for 100 pounds of pretzels daily is shown in the above figure. Albert minimizes the cost of producing 100 pounds of pretzels daily by hiring 5 units of labor and 10 units of capital when w = 50 and r = 25. When r rises to 100, what is the minimum cost of producing 100 pounds of pretzels daily in the short run? in the long run?
Answer: https://biology-forums.com/index.php?topic=785219

Question 3

Reparations for slavery in the United States would
A) be consistent with the Pareto principle.
B) be inconsistent with the Pareto principle.
C) have nothing to do with the Pareto principle.
D) would be unconstitutional.
Answer: https://biology-forums.com/index.php?topic=785477

Question 4

A director is considering buying a car for the corporation from a car dealership that is owned by his brother. To be absolutely safe, what should the director do before making the purchase?
a. nothing, the corporation will be paying full price for the car, and the brother is not making any concession for the director
b. disclose the director's relationship with the seller, and have the purchase approved by the shareholders
c. disclose the director's relationship with the seller, and have the purchase approved by the independent directors on the board
d. have his brother make a statutory declaration that the car was sold at fair market value
Answer: https://biology-forums.com/index.php?topic=787003

Question 5

Assume Sam and Jenn exchange gifts. Sam gives a gift that cost $20 but is only worth $10 to Jenn. Jenn gives a gift that cost $25 but which Sam values at $15. Ignoring any benefits Sam and Jenn receive in the act of giving gifts, this exchange of gifts
A) yields a net decrease in total utility to Sam and Jenn.
B) yields a net increase in total utility to Sam and Jenn.
C) yields no change in total utility to Sam and Jenn.
D) an increase in Sam's utility but a decrease in Jenn's utility.
Answer: https://biology-forums.com/index.php?topic=784868

Question 6

Suppose TC = 10 + (0.1 * q2). If p = 10, the firm's profits will be
A) 240.
B) 250.
C) 260.
D) -10 because the firm will shut down.
Answer: https://biology-forums.com/index.php?topic=785293

Question 7

In a recent court case, an expert witness defined a monopoly as a firm that can "raise price without reducing its total revenue." What does this imply about the elasticity of demand? Would this definition hold for a profit-maximizing monopoly? Explain.
Answer: https://biology-forums.com/index.php?topic=785612

Question 8

Sarah buys little stuffed animals for $5 each. They come in different varieties. If the producer stops making (retires) a certain variety, a stuffed animal of that variety will be worth $100; otherwise it is worth $0. There is 25% chance that any variety will be retired. For the purchase of an individual animal, what is the value to Sarah of knowing ahead of time whether or not that variety will be retired?
Answer: https://biology-forums.com/index.php?topic=786228

Question 9

Why would you expect the demand for diamond jewelry to fall faster than plastic, costume jewelry when all incomes fall?
Answer: https://biology-forums.com/index.php?topic=784928

Question 10

Suppose a blackjack gambler approaches an insurance company and seeks to purchase an insurance policy that his next trip to Reno, NV will not net $10,000. The insurance company
A) will sell her an insurance policy because the proposal entails uncertainty not risk.
B) will sell her an insurance policy because the proposal entails risk not uncertainty.
C) will not sell her an insurance policy because the proposal entails uncertainty not risk.
D) will not sell her an insurance policy because the proposal entails risk not uncertainty.
Answer: https://biology-forums.com/index.php?topic=786281

Question 11

A good salesperson can sell $1,000,000 worth of goods, while a poor one can sell only $100,000 worth of goods. Job applicants know if they are good or bad, but the firm does not. A firm will offer job applicants a choice between a fixed salary or 20% commission. Assuming risk-neutral salespersons and no opportunistic behavior, what level must the fixed salary be so that the firm can distinguish a prospective good salesperson from a poor one, and thereby avoid hiring a poor one?
Answer: https://biology-forums.com/index.php?topic=786648

Question 12

Travel websites such as Travelocity tend to offer reservation services for multiple travel modes. This is because
A) the firms have contractual obligations to offer reservations for airlines and railroads, for example.
B) the firms have statutory obligations to offer reservations for airlines and railroads, for example.
C) once the firm has the reservation technology for airlines, there are economies of scale in offering the same service for railroads.
D) once the firm has the reservation technology for airlines, there are economies of scope in offering the same service for railroads.
Answer: https://biology-forums.com/index.php?topic=785228

Question 13

Max has allocated $100 toward meats for his barbecue. His budget line and an indifference map are shown in the above figure. What happens if Max's mother gives him 30 pounds of burger?
A) Max would have preferred receiving the dollar value of the burger.
B) Max is indifferent between this gift and the dollar value of the burger.
C) Max prefers this gift to the dollar value of the burger.
D) None of the above.
Answer: https://biology-forums.com/index.php?topic=784855

Question 14

A typical professional National Football League team has three quarterbacks on its roster. One reason why they might not have a fourth quarterback?
A) The fourth quarterback's marginal product is approximately zero.
B) The fourth quarterback's marginal product is approximately ten.
C) The fourth quarterback's marginal product is less than the first quarterback's marginal product.
D) There is a law against carrying four quarterbacks on a team.
Answer: https://biology-forums.com/index.php?topic=785037

Question 15

Interest rates are positive mainly because
A) of inflation.
B) people tend to prefer the present to the future.
C) people tend to prefer the future to the present.
D) bankers are greedy.
Answer: https://biology-forums.com/index.php?topic=786107

Question 16

Joe subscribes to an Internet provider that charges $2 per hour. He has $100 per month to spend and is at equilibrium by buying 10 hours of Internet access and $80 worth of other goods. Draw the indifference curve-budget line. If the company switches to a $20 monthly fee for unlimited Internet access, is Joe better off?
Answer: https://biology-forums.com/index.php?topic=784872

Question 17

Suppose the production function for T-shirts can be represented as q = L0.25 K0.75. When
K = 1 and q = 2, what is the slope of the isoquant? If there is insufficient information to answer the question, describe what information is needed.
Answer: https://biology-forums.com/index.php?topic=785068

Question 18

Suppose market demand is Q = 1000 - 4p. If all firms have LRAC = 50 - 5q + q2, how many identical firms will there be when this industry is in long-run equilibrium?
Answer: https://biology-forums.com/index.php?topic=785336

Question 19

Sarah buys little stuffed animals for $5 each. They come in different varieties. If the producer stops making (retires) a certain variety, a stuffed animal of that variety will be worth $100; otherwise it is worth $0. There is 50% chance that any variety will be retired. What is the value to Sarah of knowing ahead of time whether a variety will be retired?
A) $50
B) $5
C) $2.50
D) $0
Answer: https://biology-forums.com/index.php?topic=786220

Question 20

Two firms sell 100% orange juice in 10 ounce bottles. The juice is only good for one week. The two firms have contracts for all the oranges produced in a large geographic area. Each firm decides how many bottles of juice to produce at the same time. This market is best described with a
A) Bertrand model.
B) Stackelberg model.
C) monopolistic competition model.
D) Cournot model.
Answer: https://biology-forums.com/index.php?topic=785851