

### Question 1

The kinked demand curve model assumes that:

- A) if one firm raises its price, the others will follow
- B) if one firm lowers its price, the others will not follow
- C) there will be collusion among the firms in the industry
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860022>

### Question 2

Marginal-cost pricing is a characteristic feature of monopolies.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859853>

### Question 3

Marginal utility is the total satisfaction derived from the consumption of a good or service while total utility is the additional satisfaction derived from the consumption of extra units of a good or service.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859316>

### Question 4

The algebraic approach to market analysis is another tool that can be used to analyse demand, supply, and market price determination.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858984>

### Question 5

If the demand for an item is perfectly inelastic, the incidence of an excise tax will be borne by:

- A) consumers entirely
- B) producers entirely
- C) consumers mostly and producers partly
- D) producers mostly and consumers partly

Answer: <https://biology-forums.com/index.php?topic=859182>

### Question 6

All resources are scarce in Canada.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858544>

### Question 7

The average total cost curve:

- A) lies above the average variable cost curve at all levels of output
- B) lies below the average variable cost curve at all levels of output
- C) intersects the average variable cost curve at its minimum point
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859649>

### Question 8

The term market failure refers to:

- A) the failure of firms to establish markets for their products
- B) the failure of markets to clear so that equilibrium can be reached
- C) malfunctions in the market mechanism that lead to inefficient outcomes
- D) the failure of producers to increase supply in response to a shortage

Answer: <https://biology-forums.com/index.php?topic=860472>

### Question 9

A consumer will continue to consume additional units of a good that is free of charge provided that:

- A) the total utility is positive
- B) the marginal utility is positive
- C) the marginal utility is negative

D) the marginal utility is increasing

Answer: <https://biology-forums.com/index.php?topic=859278>

### Question 10

In the expression  $Q = Q(Y, r, S)$ , the dependent variables are Y, r, and S, while the independent variable is Q.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858660>

### Question 11

Which of the following is likely to yield the quickest settlement in a dispute?

- A) Mediation
- B) Voluntary arbitration
- C) Compulsory arbitration
- D) Conciliation

Answer: <https://biology-forums.com/index.php?topic=860123>

### Question 12

The CPP and QPP are:

- A) funded through contributions from employees, employers, and self-employed persons
- B) indexed to the cost of living
- C) only available to those who have contributed
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860274>

### Question 13

Which of the following is an example of a flow?

- A) The amount of money in your purse or wallet
- B) The number of cars on a parking lot
- C) The annual output of a firm
- D) The number of students who attended class on May 16

Answer: <https://biology-forums.com/index.php?topic=858530>

### Question 14

A knowledge of economics will help us to understand which of the following issues?

- A) Government spending and the budget deficit
- B) Recessions and their effects
- C) The impacts of rapid increases in the price of oil
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858443>

### Question 15

The price elasticity of demand is measured by the percentage change in quantity demanded divided by the percentage change in price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859085>

### Question 16

Production quotas are:

- A) designed to raise revenues for the government
- B) designed to drive farmers out of agriculture
- C) part of the government's supply management program
- D) a way to reduce the prices of agricultural products

Answer: <https://biology-forums.com/index.php?topic=859171>

### Question 17

An arrangement whereby membership in a union is a prerequisite for obtaining employment is a(n):

- A) open shop
- B) closed shop
- C) union shop
- D) command shop

Answer: <https://biology-forums.com/index.php?topic=860116>

### Question 18

Jennifer Lo owns a small farm which she runs to earn a modest living. The workers that Jennifer hires to run the farm for her receive a type of income called:

- A) rent
- B) wages
- C) profit
- D) interest

Answer: <https://biology-forums.com/index.php?topic=858497>

### Question 19

A resource is not scarce, in an economic sense, if large quantities of the resource are readily available.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858550>

### Question 20

The main objective of business advertising is:

- A) to protect consumers from buying inferior products
- B) to ensure that consumers are duly warned
- C) to reduce cost for the consumer
- D) to increase the sale of the advertised commodity

Answer: <https://biology-forums.com/index.php?topic=860628>