

Question 1

The goodness of a model depends on the extent to which it follows scientific procedures, and not on its predictive capacity.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858578>

Question 2

Cartels are most common in the market for:

- A) steel
- B) natural resources
- C) labour
- D) consumer electronics

Answer: <https://biology-forums.com/index.php?topic=860034>

Question 3

Wage discrimination is a type of economic discrimination in which workers attempt to choose the jobs that pay high wages and refuse those jobs that pay low wages.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860334>

Question 4

The greater the substitution possibilities, the more elastic the demand for an item is likely to be.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859102>

Question 5

In the following demand and supply functions, QD = quantity demanded, QS = quantity supplied, and P = price.

$$QD = 100 - 3P; \quad QS = 10 + 2P$$

The equilibrium price and quantity are 18 and 46 respectively.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859004>

Question 6

The law of diminishing marginal utility is applicable only in cases where the item consumed is viewed as a luxury.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859326>

Question 7

Which of the following is an effective barrier to entry?

- A) Pure competition
- B) Ownership of essential raw materials
- C) Constant cost
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859861>

Question 8

Increasing opportunity cost occurs because:

- A) resources can never be fully employed
- B) resources are not all equally efficient in all uses
- C) resources are perfect substitutes in different industries
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858712>

Question 9

In general, the market demand curve:

- A) will be more elastic than any of the individual demand curves
- B) will be less elastic than any of the individual demand curves
- C) will have nothing to do with elasticity
- D) will be more inelastic than any of the individual demand curves

Answer: <https://biology-forums.com/index.php?topic=859306>

Question 10

Marginal utility is:

- A) the extra money spent on an item that the consumer really likes
- B) the additional income given to workers as a bonus
- C) the extra amount of money added to utility bills as a surtax
- D) the extra satisfaction derived from consuming an additional unit of a commodity

Answer: <https://biology-forums.com/index.php?topic=859256>

Question 11

The two main branches into which economics is divided are: labour economics and growth economics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858602>

Question 12

The paradox of value is paradoxical because of:

- A) a tendency to relate price to scarcity
- B) a failure to distinguish between total utility and marginal utility
- C) a failure to recognize the usefulness of some commodities
- D) the emphasis placed on the usefulness of some commodities

Answer: <https://biology-forums.com/index.php?topic=859291>

Question 13

The common pool problem is the overuse of open-access resources that occurs because of unrestricted access.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860566>

Question 14

Japan is a classic example of a nation that has compensated for its lack of natural resource endowment by saving and making huge investment in capital, both physical and human.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860447>

Question 15

Which of the following is likely to affect the demand for land?

- A) The price of land
- B) The rental value of land
- C) The resource content of land
- D) The supply of apartment units

Answer: <https://biology-forums.com/index.php?topic=860138>

Question 16

Duopoly is a market structure in which there are only two firms.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860072>

Question 17

Which of the following is necessary for price discrimination to be profitable?

- A) The seller must be a pure competitor
- B) All buyers must have identical demand curves
- C) The seller must operate where price equals marginal cost
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=859910>

Question 18

Marginal revenue is:

- A) total revenue divided by the number of units sold
- B) the extra revenue obtained by selling an additional unit of output

C) the cost of the first unit produced

D) the average revenue derived from each unit sold

Answer: <https://biology-forums.com/index.php?topic=859747>

Question 19

Which of the following issues is considered in macroeconomics?

A) The relative prices of individual items

B) The rate of growth of total output

C) The behaviour of individual firms seeking to maximize profits

D) The effects of a tax on gasoline on the price of gasoline

Answer: <https://biology-forums.com/index.php?topic=858748>

Question 20

The branch of economics that deals with the use of statistical tools and methods to test economic theories is called econometrics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858581>

Question 21

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 22

Graphs are an effective tool in economics because they add clarity to ideas that are being expressed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858665>

Question 23

New immigrants into a country will cause the country's production possibility curve to shift outward only when they find jobs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858804>

Question 24

Production includes activities such as manufacturing activities, farming activities, construction activities, but excludes activities such as banking and transportation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859547>

Question 25

If the HHI in an industry is 800, we can conclude that the industry is unconcentrated.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860077>

Question 26

Refer to Figure 6A.3. As the consumer moves from point A to B:

A) total utility increases

B) total utility decreases

C) total utility is not affected

D) marginal utility diminishes

Answer: <https://biology-forums.com/index.php?topic=859390>

Question 27

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 28

A cost function expresses the relationship between a firm's costs of production and its inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859672>

Question 29

Most economics graduates gain employment in the financial sector or the government.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858541>

Question 30

Diseconomies of scale describe a situation in which the firm's LRAC is at a minimum.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859721>

Question 31

If P represents price, Q represents quantity supplied, and N represents number of sellers, then the expression $Q = Q(P, N)$ means that:

- A) quantity supplied can be found by multiplying P and N
- B) quantity supplied can be found by multiplying Q by P and N
- C) changes in P or N will cause Q to change
- D) P and N are both dependent upon Q

Answer: <https://biology-forums.com/index.php?topic=858970>

Question 32

Refer to Figure 9.1. If the price of the product is \$12, in order to maximize profits, the firm should produce:

- A) 100 units of output
- B) 90 units of output
- C) 60 units of output
- D) 70 units of output

Answer: <https://biology-forums.com/index.php?topic=859761>

Question 33

Refer to Table 14.1. Country A has an absolute advantage in:

- A) the production of computers and coffee
- B) the production of computers
- C) the production of coffee
- D) neither coffee nor computer production

Answer: <https://biology-forums.com/index.php?topic=860364>

Question 34

The budget line shows the constraint under which the consumer purchases goods and services, other things being equal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859431>

Question 35

An improvement in technology occurs when a given quantity of output can be produced by fewer inputs, or when a given quantity of inputs can produce a greater quantity of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859592>

Question 36

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

True or False?

Answer: <https://biology-forums.com/index.php?topic=859084>

Question 37

The four market structures are perfect competition, monopoly, monopolistic competition, and oligopoly.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859801>

Question 38

Other explanations for price rigidity include:

- A) long-term contracts
- B) small menu costs
- C) both A and B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860025>

Question 39

If marginal utility is falling but is positive, we know that total utility will increase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859322>

Question 40

The flow of resources, goods and services, expenditures, and income between sectors of the economy is referred to as the circular flow.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858814>

Question 41

An increase in the price of leather is expected to cause:

- A) an increase in the supply of leather chairs
- B) an increase in the demand for leather chairs
- C) a fall in the demand for leather chairs
- D) a fall in the supply of leather chairs

Answer: <https://biology-forums.com/index.php?topic=858862>

Question 42

The Copenhagen Accord is a non-binding agreement that endorsed the continuation of the Kyoto Protocol.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860589>

Question 43

An economic externality is a cost or benefit that accrues to persons not directly involved in the actions or decisions made by firms and individuals.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860549>

Question 44

An excise tax imposed on a commodity will:

- A) increase the demand for the commodity
- B) cause the supply curve to shift to the right
- C) cause a surplus of the commodity
- D) cause the supply curve to shift to the left

Answer: <https://biology-forums.com/index.php?topic=859179>

Question 45

The principle of substitution states that a firm will:

- A) use more of a cheap factor and less of a more expensive factor
- B) use more of an expensive factor and less of a cheap factor
- C) avoid substituting one factor for another even when input prices change
- D) switch production lines to a good which uses the less expensive resource more intensely

Answer: <https://biology-forums.com/index.php?topic=859542>

Question 46

The incidence of low income is high among families whose heads are 24 years old or younger.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860324>

Question 47

The cross-price elasticity of demand between personal computers and printers is expected to be:

- A) positive
- B) negative
- C) zero
- D) infinite

Answer: <https://biology-forums.com/index.php?topic=859072>

Question 48

In the long run, the monopolist will:

- A) leave the industry if it is making losses
- B) stay in the industry provided that it is covering its fixed costs
- C) stay in the industry provided that it is covering its variable costs
- D) never leave the industry because its investment is too large

Answer: <https://biology-forums.com/index.php?topic=859899>

Question 49

The model of the kinked demand curve is the only explanation of price rigidity in oligopolistic markets.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860083>

Question 50

Monopolistic competition and oligopoly are collectively referred to as unrivalled competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859802>

Question 51

A normative statement:

- A) is a value judgement
- B) deals with what really is
- C) can be verified by examining the facts
- D) must always be a true, realistic statement

Answer: <https://biology-forums.com/index.php?topic=858519>

Question 52

Changes in price, income, tastes, and expectations will change demand.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858919>

Question 53

Which of the following is an example of a stock?

- A) The balance in an individual's bank account
- B) The annual interest payment on a loan
- C) The annual profits earned by the XYZ Company
- D) The amount of goods and services exported in a year

Answer: <https://biology-forums.com/index.php?topic=858529>

Question 54

Critics of the Canadian welfare system claim that it is costly and inflationary, and that it destroys work incentive.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860343>

Question 55

Government transfer payments include:

- A) Employment Insurance
- B) Old Age Security
- C) the Canadian Pension Plan
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860270>

Question 56

One of the advantages of the indifference curve approach is that it avoids the highly suspect assumption that consumers can objectively measure satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859423>

Question 57

Goods whose quality can be evaluated by inspection at the time of purchase are called:

- A) inspection goods
- B) instant quality-determinant goods
- C) experience goods
- D) search goods

Answer: <https://biology-forums.com/index.php?topic=860632>

Question 58

Which of the following expresses the relationship between scarcity, choice, and opportunity cost?

- A) Opportunity cost forces us to choose, and choice causes scarcity
- B) Opportunity cost is the cost of scarce resources that are left after we have chosen
- C) Choice forces scarcity which results in opportunity cost
- D) Scarcity forces choice which involves opportunity cost

Answer: <https://biology-forums.com/index.php?topic=858699>

Question 59

Refer to Figure 10.1. To maximize its revenue, this firm should:

- A) produce an output of OA and charge a price of OJ
- B) produce an output of OP and charge a price of OC
- C) produce an output of OP and charge a price of ON
- D) produce an output of OB and charge a price of OG

Answer: <https://biology-forums.com/index.php?topic=859881>

Question 60

Which of the following is not a firm?

- A) The publisher of your economics textbook
- B) Air Canada
- C) A college student union
- D) The Bank of Montreal

Answer: <https://biology-forums.com/index.php?topic=859477>

Question 61

The utility analysis of consumer behaviour shows that:

- A) the consumer will buy more of an item when the price falls, other things being equal
- B) the marginal utility per dollar of an item falls when the price of the item rises
- C) the price of an item and the marginal utility per dollar of that item are totally unrelated
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859296>

Question 62

Demand shifters include the price of the product and the incomes of the buyers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858921>

Question 63

The post hoc fallacy refers to the error in concluding that A causes B because A precedes B.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858601>

Question 64

The long-run average cost is the minimum cost per unit at which a firm can produce a given volume of output when its inputs are all variable.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859714>

Question 65

The value of the marginal product of labour is:

- A) marginal physical product of labour multiplied by the price of the output
- B) the extra revenue resulting from the sale of the extra output produced by an additional unit of labour
- C) the marginal revenue product of labour
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860100>

Question 66

In the short run, a purely competitive firm should:

- A) close down if it is incurring losses
- B) close down unless the price is above its average total cost
- C) continue to operate even at a loss, provided that it is covering its variable costs
- D) continue to operate even if the price is less than its average variable cost

Answer: <https://biology-forums.com/index.php?topic=859777>

Question 67

Which of the following is a method of dealing with the problem of pollution?

- A) Direct regulation
- B) Charging effluent fees
- C) Granting tax incentives
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860517>

Question 68

The demand for labour differs from the demand for bread in that the demand for bread:

- A) is a derived demand, while the demand for labour is a direct demand
- B) is a direct demand, while the demand for labour is a derived demand
- C) varies inversely with its price, while the demand for labour does not vary with its price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860098>

Question 69

Utility is maximized when the utility of the last dollar spent on each good is equal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859333>

Question 70

Variable factors are:

- A) Resources whose prices vary constantly
- B) inputs that the firm can change during a given period
- C) factors that can be used for a wide variety of purposes
- D) conditions that permit the firm to vary its output during production runs

Answer: <https://biology-forums.com/index.php?topic=859506>

Question 71

If an economy decides to produce extra corn instead of more wheat, the opportunity cost of the extra corn is:

- A) the additional wheat that it could have produced instead

- B) the market value of the corn
- C) the cost of the resources used to produce the corn
- D) the wages paid to corn growers

Answer: <https://biology-forums.com/index.php?topic=858706>

Question 72

A supply function is:

- A) a mathematical way of expressing the relationship between supply and price
- B) a mathematical way of expressing the relationship between supply and demand
- C) a mathematical way of expressing the relationship between quantity supplied and price
- D) a mathematical way of saying that the function of supply is to determine price

Answer: <https://biology-forums.com/index.php?topic=858968>

Question 73

Consumer surplus exists because:

- A) the government ensures it
- B) consumers are often willing to pay a price that is above the equilibrium price
- C) consumers are often willing to save a portion of their income for inflationary periods
- D) producers always enter the market at lower prices to gain market share

Answer: <https://biology-forums.com/index.php?topic=859137>

Question 74

A budget line:

- A) is always linear and upward sloping
- B) shows the various combinations of two goods or services that give the same level of satisfaction
- C) is concave because of increasing satisfaction
- D) shows various combinations of two goods or services that cost the same amount of money

Answer: <https://biology-forums.com/index.php?topic=859358>

Question 75

Which of the following groups has the highest incidence of poverty?

- A) Employed heads of families
- B) A family whose head is a 35-year-old male
- C) A two-parent family with four children
- D) A family headed by a 30-year-old female

Answer: <https://biology-forums.com/index.php?topic=860253>

Question 76

The opportunity cost of transferring a worker from industry A to industry B is:

- A) the resulting increase in output in industry B
- B) the resulting decrease in output in industry A
- C) the amount of money paid to the worker
- D) the amount of money that the worker earns in industry B

Answer: <https://biology-forums.com/index.php?topic=858713>

Question 77

As we move down, along a given linear demand curve, what happens to the price elasticity of demand?

- A) As price falls, we move down along the demand curve and the price elasticity of demand increases
- B) As price falls, we move down along the demand curve and the price elasticity of demand decreases
- C) As price falls, we move down along the demand curve; however, the price elasticity of demand remains constant
- D) It is indeterminate

Answer: <https://biology-forums.com/index.php?topic=859043>

Question 78

Macroeconomics differs from microeconomics in that:

- A) macroeconomics is concerned with the study of broad economic aggregates, while microeconomics is concerned with the study of the units that make up the aggregates
- B) macroeconomics is concerned with the study of the units which make up the aggregates, while microeconomics is concerned with the study of broad aggregates
- C) macroeconomics is concerned with individual decision making, while microeconomics is concerned with such variables as total employment and

the average level of prices

D) macroeconomics is complex, while microeconomics is simple

Answer: <https://biology-forums.com/index.php?topic=858537>

Question 79

The firm is the economic unit that transforms inputs into outputs for sale at a profit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859549>

Question 80

In the simple circular flow model with only households and firms:

A) the demand for resources comes from households

B) the demand for resources comes from firms

C) the supply of goods and services comes from households

D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858766>

Question 81

When the price of ski lift tickets rises, people take fewer ski vacations to Whistler B.C. If L = the price of lift tickets, and V = vacations to Whistler B.C., then $V = f(L)$. Suppose that in addition to the price of lift tickets, the number of vacations to B.C. also depends on resort prices (R). In this case, the correct notation is: $V = f(L, R)$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858658>

Question 82

A and B are two variables that are highly correlated. From this, we can safely conclude that:

A) an increase in A causes a decrease in B

B) an increase in B causes a decrease in A

C) any change in A will cause an even greater change in B

D) variables A and B move together

Answer: <https://biology-forums.com/index.php?topic=858531>

Question 83

Refer to Table 7.1. Which of the following methods cannot be economically efficient?

A) A

B) B

C) C

D) It is not possible to determine

Answer: <https://biology-forums.com/index.php?topic=859493>

Question 84

The mathematics used in more advanced economics courses is:

A) no more complex than the simple algebra used in demand and supply analysis

B) much more complex than the simple algebra used in demand and supply analysis

C) actually less sophisticated than that used in the algebraic approach to market analysis

D) always much easier than a tabular or graphical analysis

Answer: <https://biology-forums.com/index.php?topic=858960>

Question 85

Concentration ratios show the percentage of total market share accounted for by a few of the largest firms in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860074>

Question 86

Canada has a comparative advantage in:

A) electricity production

B) certain minerals

C) certain agricultural items

D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860397>

Question 87

If a firm in monopolistic competition is operating where $MR = MC$, it can increase its profits by raising its price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860056>

Question 88

Economics is:

- A) an exact science because economists make accurate predictions
- B) an exact science because economists use models
- C) a social science because it uses graphs and mathematical equations
- D) a social science because it studies behaviours of groups of people and their choices about the use of scarce resources

Answer: <https://biology-forums.com/index.php?topic=858499>

Question 89

The production possibilities curve illustrating donuts and DVDs is most likely to be:

- A) downward sloping
- B) concave
- C) convex
- D) upward sloping

Answer: <https://biology-forums.com/index.php?topic=858722>

Question 90

A change in income does not affect the consumer's equilibrium position because changes in income do not affect the budget line.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859459>

Question 91

Which of the following statements about the incidence of poverty is true?

- A) It is the same in all regions of Canada
- B) It is the same for all age groups
- C) It is relatively high among families whose heads are female
- D) It is relatively high among married people

Answer: <https://biology-forums.com/index.php?topic=860251>

Question 92

There is a great demand for a product provided that buyers are wealthy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858893>

Question 93

If the coefficient of elasticity is 1.8, then a 7% fall in price causes quantity demanded to:

- A) decrease by 12.6 %
- B) increase by 12.6 %
- C) decrease by 3.6 %
- D) increase by 3.89%

Answer: <https://biology-forums.com/index.php?topic=859039>

Question 94

A simple rule for decision making is that if the benefits outweigh the costs, then do the activity; otherwise, don't.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858776>

Question 95

Equilibrium occurs when demand and supply are equal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858947>

Question 96

The government has attempted to assist consumers and producers by establishing price ceilings and price floors.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859212>

Question 97

A firm operating under conditions of increasing cost is experiencing increasing returns to scale.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859718>

Question 98

An increase in the wage rate has what effect on the supply curve for labour?

- A) An increase in the wage rate causes the labour supply curve to shift to the right
- B) An increase in the wage rate causes the labour supply curve to shift to the left
- C) An increase in the wage rate causes a movement along, upwards and to the right, of a given supply curve
- D) An increase in the wage rate causes a movement along, downwards and to the left, of a given supply curve

Answer: <https://biology-forums.com/index.php?topic=860107>

Question 99

If marginal utility is negative, then:

- A) total utility will increase
- B) total utility will be negative also
- C) total utility will decrease
- D) total utility has to be zero

Answer: <https://biology-forums.com/index.php?topic=859264>

Question 100

All of the following are private costs except:

- A) the amount spent to purchase a family car
- B) the amount spent by a firm for raw material
- C) the damage caused by acid rain
- D) the amount paid to be a member of a social club

Answer: <https://biology-forums.com/index.php?topic=860484>

Question 101

A monopolized industry is one in which:

- A) the industry is filled with monopolies
- B) most producers are monopolists, but few are competitors
- C) the industry is marked for take-over by several monopolists
- D) the industry consists of only one firm producing a good or service which has no close substitutes

Answer: <https://biology-forums.com/index.php?topic=859857>

Question 102

When J.K Rowling completed her first novel, Harry Potter and the Philosopher's Stone, she hired a firm called The Christopher Little Literary Agents to represent her in her quest for a publisher. In this case, J.K Rowling is the _____ and the firm Christopher Little Literary Agents is the _____.

- A) agent; principal
- B) principal; agent
- C) principal; vice-principal
- D) contractor; contractee

Answer: <https://biology-forums.com/index.php?topic=860661>

Question 103

Refer to Table 6.2. If Eddie's budget increases to \$14, he should buy:

- A) four chocolate bars and two milk shakes
- B) three chocolate bars and three milk shakes
- C) two chocolate bars and four milk shakes
- D) one chocolate bar and four milk shakes

Answer: <https://biology-forums.com/index.php?topic=859286>

Question 104

The average product of labour is:

- A) total product times the number of workers
- B) total product divided by the quantity of labour
- C) total product minus marginal product
- D) total product times the quantity of labour

Answer: <https://biology-forums.com/index.php?topic=859519>

Question 105

Utility analysis can be used to determine how a change in the price of an item affects the demand for that item and thus enable us to derive the consumer's demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859350>

Question 106

Marginal-cost pricing by a monopoly can never result in losses.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859960>

Question 107

An example of a product market is:

- A) a market for labour services
- B) a market for land
- C) a market material inputs
- D) a market for shoes

Answer: <https://biology-forums.com/index.php?topic=858759>

Question 108

Pareto efficiency exists if it is impossible to re-arrange inputs and outputs so as to make someone better off without making anyone else worse off.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859851>

Question 109

If marginal utility is decreasing, then:

- A) total utility must be decreasing
- B) total utility must be positive
- C) total utility must be negative
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859271>

Question 110

When asymmetric information exists, low-quality products will drive high quality products out of the market. The market will then be dominated by defective products.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860704>

Question 111

If average product is rising, then marginal product is greater than average product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859591>

Question 112

Advantages of the contribution criterion for income distribution include the fact that:

- A) it provides incentives for greater productivity
- B) the system works automatically through the market system
- C) it is a fair approach
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860219>

Question 113

Occupational discrimination:

- A) is a situation in which particular groups are prevented from entering certain occupations
- B) is a situation in which a female doing the same job as a male earns significantly less income, despite the fact that there are no differences in their output
- C) does not exist in Canada today, although it was a widespread problem in the 1950s
- D) still exists in public sector jobs; however, it has been completely eliminated in the private sector

Answer: <https://biology-forums.com/index.php?topic=860259>

Question 114

The consumer's demand curve:

- A) is not related to the market demand curve
- B) is not related to utility analysis
- C) can be derived from utility theory
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859295>

Question 115

The method of production that is most technologically efficient is the one that uses the most modern technology.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859555>

Question 116

Refer to Figure 9.1. The firm will break even at a price-output combination of:

- A) \$14 and 100 units
- B) \$8 and 50 units
- C) \$6 and 60 units
- D) \$4 and 30 units

Answer: <https://biology-forums.com/index.php?topic=859769>

Question 117

In the circular flow model, real flows include the flows of resources and goods and services.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858819>

Question 118

A vertical indifference curve:

- A) is not possible since it presumes that more of a good makes absolutely no difference to consumers—this is contrary to the assumption that consumers prefer more over less.
- B) is consistent with the assumption that the consumer prefers more to less
- C) is the most likely shape for an indifference curve
- D) shows the maximum level of satisfaction that the consumer can attain

Answer: <https://biology-forums.com/index.php?topic=859379>

Question 119

The marginal cost curve declines continuously.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859697>

Question 120

A purely competitive firm will maximize its profits when it equates its marginal revenue and its marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859824>

Question 121

According to Statistics Canada, what percentage of its income must a family regularly spend on food, shelter, and clothing to be considered in straitened circumstances?

- A) About 33%

- B) About 47%
- C) 56% or more
- D) In the range of 30%-50%

Answer: <https://biology-forums.com/index.php?topic=860244>

Question 122

A shortage exists in a market when the quantity demanded at a specific price is less than the quantity supplied at that price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858945>

Question 123

Public goods are generally provided by private firms mainly because of the high profitability of providing such goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860556>

Question 124

It is illegal for provinces to set minimum wage. Only the federal government can do that.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859227>

Question 125

Decreasing returns to scale imply that LRAC is increasing.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859720>

Question 126

Which of the following does not have a high concentration ratio in Canada?

- A) Petroleum refining
- B) Aircraft manufacturing
- C) Restaurants
- D) Smelting and refining

Answer: <https://biology-forums.com/index.php?topic=860015>

Question 127

The paradox of value can be defined as the apparent contradiction in the fact that an absolute necessity, such as water, has a lower value than a luxury item, such as diamonds.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859342>

Question 128

An example of a Canadian industry with a high concentration ratio is the restaurant industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860078>

Question 129

The means by which firms distinguish their products from those of other firms is:

- A) product assortment
- B) product enrichment
- C) product evaluation
- D) product differentiation

Answer: <https://biology-forums.com/index.php?topic=859974>

Question 130

The total revenue curve for a firm in pure competition is a straight line through the origin.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859819>

Question 131

Price elasticity of demand is defined as:

- A) the amount by which demand exceeds supply
- B) the extent to which quantity demanded responds to a change in price
- C) the extent to which price responds to a change in quantity demanded
- D) the difference between the highest and lowest price people are willing to pay for a commodity

Answer: <https://biology-forums.com/index.php?topic=859012>

Question 132

In long-run equilibrium, the firm in monopolistic competition operates:

- A) where $P = AC$
- B) with zero economic profits
- C) with excess capacity
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859996>

Question 133

Which of the following is true of cost relationships?

- A) $TC = TFC + TVC$
- B) $TFC = TC - TVC$
- C) $TVC = TC - TFC$
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859626>

Question 134

Increases in price can entice new producers into the market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858935>

Question 135

The cost of growing citrus fruits in Canada would be quite high; so it makes sense for Canada to import citrus fruits and pay for them with the export of apples.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860426>

Question 136

The budget line is drawn under the assumption that:

- A) the consumer's budget changes constantly
- B) the prices of the commodities change while income remains constant
- C) the consumer has an unlimited budget
- D) the consumer's income and the prices of the commodities are given

Answer: <https://biology-forums.com/index.php?topic=859366>

Question 137

The marginal revenue curve of a monopolistic firm is:

- A) a horizontal straight line
- B) downward sloping but steeper than the average revenue curve
- C) downward sloping but flatter than the average revenue curve
- D) identical to its average revenue curve

Answer: <https://biology-forums.com/index.php?topic=859871>

Question 138

Price discrimination is any observed differences in the prices of similar goods and services between firms.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859964>

Question 139

Which of the following is a method of settling disputes between employers and employees?

- A) Conciliation
- B) Mediation

- C) Arbitration
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860121>

Question 140

Because of the high cost of the trip, Patty is going to spend far more time researching trips to Europe than she would a weekend get-a-way to Niagara Falls, Ontario.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860683>

Question 141

What effect will an increase in the price of grapes have in the market for wine?

- A) Increase demand
- B) Decrease demand
- C) Increase supply
- D) Decrease supply

Answer: <https://biology-forums.com/index.php?topic=858863>

Question 142

In production theory, the long run is:

- A) a period of three years or more
- B) any period over one year
- C) a situation in which the firm cannot vary all its inputs
- D) a situation in which the firm has only variable factors

Answer: <https://biology-forums.com/index.php?topic=859509>

Question 143

X-inefficiency:

- A) raises the firm's total revenue
- B) lowers the firm's cost
- C) raises the firm's cost and reduces its profits
- D) raises the firm's cost and raises its profits

Answer: <https://biology-forums.com/index.php?topic=859890>

Question 144

The marginal rate of substitution:

- A) is the slope of the indifference curve
- B) is irrelevant if the goods are substitutes
- C) suggests that consumers are inconsistent
- D) implies that consumers will never maximize their satisfaction

Answer: <https://biology-forums.com/index.php?topic=859385>

Question 145

Relative poverty is the condition that prevails when an individual or a family has a standard of living that is far below that enjoyed by others in society. True or False?

Answer: <https://biology-forums.com/index.php?topic=860313>

Question 146

The short-run industry supply curve is:

- A) a horizontal line
- B) the horizontal summation of the average cost curves of the individual firms
- C) the horizontal summation of the supply curves of the individual firms
- D) a vertical line

Answer: <https://biology-forums.com/index.php?topic=859781>

Question 147

The demand curve for a Giffen good is:

- A) upward sloping
- B) downward sloping

- C) always linear
- D) horizontal

Answer: <https://biology-forums.com/index.php?topic=859421>

Question 148

Moral hazard arises when an individual believes that he or she is insulated from risk.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860709>

Question 149

Normative economics makes statements about how the economy ought to operate.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858584>

Question 150

A linear production possibility curve illustrates:

- A) constant opportunity cost
- B) increasing opportunity cost
- C) decreasing opportunity cost
- D) inefficiency in production

Answer: <https://biology-forums.com/index.php?topic=858718>

Question 151

A demand schedule, a demand curve, and a demand function are just different names for the same concept.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858996>

Question 152

According to the principle of comparative advantage:

- A) two countries can benefit mutually from international trade if specialization does not occur
- B) two countries cannot benefit mutually from international trade if one country has an absolute advantage in the traded goods
- C) two countries can benefit mutually from international trade if each specializes in the good in which it has a comparative advantage
- D) there will be gains from trade for two countries who are trading goods which are substitutes in production

Answer: <https://biology-forums.com/index.php?topic=860378>

Question 153

If consumers are in equilibrium, given prices and income, they can increase their satisfaction by:

- A) increasing their total utility
- B) increasing their marginal utility
- C) decreasing their marginal utility
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859277>

Question 154

A technique used by unions to exert pressure on employers to accede to their demands is:

- A) a strike
- B) a lockout
- C) an open shop
- D) a closed shop

Answer: <https://biology-forums.com/index.php?topic=860125>

Question 155

A market is described as an oligopoly when there exist a few firms who sell identical or differentiated products and produce a significant fraction of the total market output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859813>

Question 156

A 45-degree line through the origin has a slope of:

- A) 1
- B) 2
- C) 0
- D) -1

Answer: <https://biology-forums.com/index.php?topic=858640>

Question 157

In a decreasing-cost industry, costs decrease as the industry expands with the entry of new firms.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859848>

Question 158

An increase in the consumer's income will shift the indifference curve outward.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859449>

Question 159

Firms try to differentiate their products by such devices as brand names, distinctive designs, trademarks, and packaging.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860045>

Question 160

The cost of an item in terms of the amount of other items given up in order to allow its production is called:

- A) given-up cost
- B) opportunity cost
- C) fixed cost
- D) itemized cost

Answer: <https://biology-forums.com/index.php?topic=858697>

Question 161

Information is not an economic good because:

- A) it is so abundant that it is available at no cost
- B) only governments are willing to pay for it
- C) there is no market for information
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860596>

Question 162

More time will be spent in search for a high-priced item than for a low-priced item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860681>

Question 163

Opportunity cost must be expressed in terms of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858773>

Question 164

The product market is the market in which factors of production are traded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858816>

Question 165

In general:

- A) no relationship exists between resource endowment and production cost
- B) the higher the endowment of a certain resource, the higher its cost will be
- C) the higher the endowment of a certain resource, the lower its cost will be
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860353>

Question 166

The income elasticity of demand is the percentage change in income divided by the percentage change in demand.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859117>

Question 167

Shift parameters are:

- A) variables that are assumed to be constant
- B) constants that are assumed to be variable
- C) variables that will not affect quantity demanded if they change
- D) variables that will not shift the demand curve if they change

Answer: <https://biology-forums.com/index.php?topic=858963>

Question 168

Which of the following objectives might a firm pursue?

- A) Sales maximization
- B) Creating a favourable public image
- C) Maximizing customers' satisfaction
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859485>

Question 169

The consumer's choice problem may be summarized as:

- A) how to obtain more money to purchase more goods and services
- B) how to manipulate prices so as to pay the lowest price for any item purchased
- C) how much of each item to purchase in order to maximize satisfaction from a given budget, given the price of each item
- D) how to attain the maximum indifference curve that lies farthest above the budget line while keeping the prices of the goods and services purchased as low as possible

Answer: <https://biology-forums.com/index.php?topic=859407>

Question 170

The proposition that the more you have of an item, the more willing you are to trade for an item of which you have only little gives rise to:

- A) upward sloping indifference curves
- B) downward sloping indifference curves
- C) convex indifference curves
- D) concave indifference curves

Answer: <https://biology-forums.com/index.php?topic=859380>

Question 171

The Gini coefficient is the area enclosed by the Lorenz curve and the line of perfect equality in income distribution expressed as a proportion of half the area of the total square.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860297>

Question 172

The concepts of preference and indifference can be used to describe the consumer's tastes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859440>

Question 173

Economic efficiency ratio is measured by the value of inputs plus the value of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859562>

Question 174

If the demand for an item is perfectly elastic, 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=859184>

Question 175

Production is:

A) the process of converting inputs into outputs

B) the use of resources for personal gain

C) the process by which consumers satisfy their wants

D) the use of goods and services to satisfy one's wants

Answer: <https://biology-forums.com/index.php?topic=859472>

Question 176

Which of the following is not a necessary component of a model?

A) A set of mathematical equations or graphs

B) A set of assumptions

C) One or more hypotheses

D) A set of definitions

Answer: <https://biology-forums.com/index.php?topic=858507>

Question 177

Most legal cartels are:

A) international

B) national

C) local

D) domestic

Answer: <https://biology-forums.com/index.php?topic=860032>

Question 178

Which of the following is an example of a hypothesis?

A) It snowed heavily yesterday

B) Seventy percent of students passed their economics examination last year

C) If you understand graphs, you will get a better grade on your examination

D) Students who understood graphs did much better on their examinations than those who did not understand graphs

Answer: <https://biology-forums.com/index.php?topic=858504>

Question 179

The monopolist's marginal revenue is greater than its average revenue, but falls at a faster rate than its average revenue.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859933>

Question 180

The empirical aspect of science is:

A) the formulation of hypotheses

B) the development of relevant and useful assumptions

C) the measurement and recording of facts

D) the use of models

Answer: <https://biology-forums.com/index.php?topic=858502>

Question 181

Items such as garbage and pollution that are unwanted and do not give any satisfaction are called:

A) wastes

B) bads

C) unwantables

D) discards

Answer: <https://biology-forums.com/index.php?topic=858482>

Question 182

Canada's economic system is described as socialistic capitalism.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860753>

Question 183

The satisfaction that consumers derive from the goods and services that they consume is referred to as utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859308>

Question 184

One reason for low income among young families is that they are lazy and irresponsible.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860325>

Question 185

Since the firm and the industry are identical in a monopoly, the monopolist faces a horizontal demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859926>

Question 186

The functional notation requires the student to be able to perform sophisticated mathematical techniques.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858653>

Question 187

Moral appeal is likely to be most effective in reducing pollution when:

- A) people are encouraged on the basis of social justice
- B) people are threatened
- C) consumers and producers have the same economic objectives
- D) people are convinced that it is in their own interest to reduce their polluting activities

Answer: <https://biology-forums.com/index.php?topic=860529>

Question 188

Assume that the price of an item is \$5.00. If May Soo would be willing to pay \$7.50 for the item, then her consumer surplus is:

- A) \$12.50
- B) \$2.50
- C) \$12.50
- D) \$1.50

Answer: <https://biology-forums.com/index.php?topic=859135>

Question 189

The long-run supply curve of a constant-cost industry is:

- A) a straight line above the minimum average total cost curve
- B) vertical
- C) upward sloping as long as the long-run average cost curve is upward sloping
- D) horizontal at the minimum average total cost

Answer: <https://biology-forums.com/index.php?topic=859789>

Question 190

When average product is at its maximum, marginal product must also be at its maximum.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859589>

Question 191

The purely competitive model is important for understanding the operation of the Canadian economy because most Canadian firms operate in purely competitive markets.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859850>

Question 192

The government might regulate a monopoly in order to improve resource allocation.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859959>

Question 193

If the firms in a purely competitive market structure are operating with price greater than average total cost, new firms will enter the industry and the price of the product will fall.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859839>

Question 194

Bar charts are not very useful in economics because they cannot be used to show changes in variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858680>

Question 195

What effect does an increase in price have on producer surplus?

- A) an increase in price does not affect producer surplus
- B) an increase in price reduces producer surplus
- C) an increase in price increases producer surplus
- D) the effect is ambiguous as it depends on the extent of the price increase

Answer: <https://biology-forums.com/index.php?topic=859147>

Question 196

Because of scarcity, individuals have to make choices, but society as a whole does not.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858546>

Question 197

International trade may allow nations to take advantage of economies of scale.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860448>

Question 198

Economics is:

- A) the science that is concerned with voting behaviour and international relations
- B) the study of human beings interacting with one another in groups
- C) the science that studies how people use scarce resources to satisfy their unlimited wants
- D) the discipline that explains how the human mind works

Answer: <https://biology-forums.com/index.php?topic=858472>

Question 199

Which of the following will affect the time spent in searching?

- A) The price of the item
- B) Market wage rates
- C) The opportunity cost of the search
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860623>

Question 200

The cross-price elasticity formula between A and B is given by:

- A) change in the quantity of A over the quantity of A divided by the price of B over the change in the price of B
- B) change in the quantity of A over the change in the price of B
- C) change in the price of A over the change in the quantity of B
- D) change in the quantity of A over the quantity of A divided by the change in the price of B over the price of B

Answer: <https://biology-forums.com/index.php?topic=859069>

Question 201

Consumer surplus is the extra satisfaction consumers get from consuming an additional unit of an item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859192>

Question 202

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>

Question 203

The perfectly competitive firm faces a demand curve that is:

- A) perfectly inelastic
- B) perfectly elastic
- C) unitary elastic
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859753>

Question 204

Age, discrimination, and gender account for a portion of income inequality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860303>

Question 205

If A is a normal good, its income elasticity of demand is positive.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859118>

Question 206

A tariff which combines the specific tariff with the ad valorem tariff is called:

- A) a combination tariff
- B) a compound tariff
- C) a complicated tariff
- D) a revenue tariff

Answer: <https://biology-forums.com/index.php?topic=860418>

Question 207

The law of diminishing marginal utility applies to the poor but not to the wealthy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859327>

Question 208

The problem of scarcity exists:

- A) only in poor countries
- B) only because of greed
- C) even in a wealthy nation like Canada
- D) only in highly populated countries like India and China

Answer: <https://biology-forums.com/index.php?topic=858465>

Question 209

The individual demand curve is upward sloping because marginal utility increases as increasing quantities of an item are consumed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859351>

Question 210

Given the prices of A and B and consumers' incomes, consumers will arrange their purchases in such a way that:

- A) the amount of money spent on A is equal to the amount spent on B
- B) the last dollar spent on A buys the same as the last dollar spent on B
- C) the total utility derived from A equals the total utility derived from B
- D) the utility of the last dollar spent on A equals the utility of the last dollar spent on B

Answer: <https://biology-forums.com/index.php?topic=859282>

Question 211

One of the main elements of the Copenhagen Accord was:

- A) limiting global temperature
- B) recycling salt water into fresh water to increase the world's drinking supply
- C) cultivating new land to increase the food supply
- D) reducing the limit on greenhouse gas emissions

Answer: <https://biology-forums.com/index.php?topic=860537>

Question 212

The concepts of preference and indifference:

- A) are irrelevant in indifference curve analysis of consumer behaviour
- B) are only meaningful in the context of the cardinal utility approach
- C) apply to the economic analyst but not to the consumer
- D) can be used to describe the consumer's tastes

Answer: <https://biology-forums.com/index.php?topic=859370>

Question 213

The average fixed cost curve declines continuously as output expands.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859698>

Question 214

The minimum point of the average total cost curve occurs:

- A) at a lower level of output than that of the average variable cost curve
- B) at the same level of output as that of the average variable cost curve
- C) at a higher level of output than that of the average variable cost curve
- D) at any output level relative to the average variable cost curve

Answer: <https://biology-forums.com/index.php?topic=859638>

Question 215

The firm:

- A) is the only unit that decides what is produced
- B) sells outputs but not inputs
- C) is not permitted to engage in any kind of contractual agreement with any workers that it may employ
- D) buys inputs and transforms them into outputs

Answer: <https://biology-forums.com/index.php?topic=859479>

Question 216

The trading curve shows:

- A) all combinations of goods exported from the country
- B) all combinations of goods and services imported into the country
- C) all combinations of goods and services that are exported to the different trading partners
- D) all combinations of goods and services available through specialization and trade

Answer: <https://biology-forums.com/index.php?topic=860390>

Question 217

The principle of diminishing marginal rate of substitution is the hypothesis that as a consumer moves along an indifference curve, consuming more and more of one commodity and less and less of another commodity, the desire to spend more money diminishes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859452>

Question 218

A positive statement is:

- A) a statement that is true
- B) a statement about some fact that can be verified or disproved
- C) an opinion
- D) a statement with no scientific basis

Answer: <https://biology-forums.com/index.php?topic=858518>

Question 219

The main reason for international specialization is country size.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860424>

Question 220

Refer to Table 6A.1. Which of the following is true?

- A) Combination A is preferred to combination B
- B) Combination C is preferred to combination B
- C) Of all three combinations, B is least preferred
- D) Each combination gives the same level of satisfaction

Answer: <https://biology-forums.com/index.php?topic=859373>

Question 221

A good is considered to be a normal good if:

- A) people buy more of it as its price falls
- B) it has all the usual characteristics that people expect it to have
- C) people buy more of it as their incomes rise
- D) buyers don't like to substitute it for other goods

Answer: <https://biology-forums.com/index.php?topic=858845>

Question 222

Marginal cost is:

- A) total cost divided by the number of units produced
- B) the average cost incurred by selling one more unit of output
- C) the extra cost incurred by producing an additional unit of output
- D) the extra cost incurred by producing an additional unit of output plus the opportunity cost associated with that additional unit

Answer: <https://biology-forums.com/index.php?topic=859746>

Question 223

A demand schedule is a table showing the direct relationship between price and quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858896>

Question 224

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 225

Which of the following is not an advantage of international trade?

- A) Increased efficiency from specialization
- B) Lower production costs due to economies of scale
- C) Greater consumption possibilities
- D) Self sufficiency and less dependence on others

Answer: <https://biology-forums.com/index.php?topic=860395>

Question 226

A fall in the price of a good, an increase in consumers' incomes, and an increase in the price of a substitute will cause the demand curve for the good

to shift to the right.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858920>

Question 227

An excise tax imposed on each unit of a good produced by a monopolist will:

- A) have no effect on the price of the product
- B) cause the monopolist to produce a larger quantity
- C) raise the price by the amount of the tax
- D) raise the price by an amount less than the tax

Answer: <https://biology-forums.com/index.php?topic=859917>

Question 228

If a good has a very low price, we can correctly conclude that the total utility derived from that good is also low.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859344>

Question 229

Grade B eggs are considered inferior goods, whereas Grade A eggs are considered normal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858916>

Question 230

A price floor is so destructive that no one can derive any consumer surplus once it has been established.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859232>

Question 231

Demand curves slope downward because:

- A) people purchase greater quantities as their incomes rise
- B) people purchase smaller quantities as their incomes fall
- C) as the price rises, some people will switch to some of the relatively cheaper substitutes available
- D) of the natural law of economics

Answer: <https://biology-forums.com/index.php?topic=858836>

Question 232

When a monopolistically competitive firm is in long-run equilibrium, its average revenue curve is tangent to its average cost curve at the minimum point of the average cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860063>

Question 233

Which of the following is correct?

- A) When marginal product rises, marginal cost falls
- B) When marginal product rises, marginal cost also rises
- C) When AP rises, AVC rises
- D) When AP falls, AVC falls

Answer: <https://biology-forums.com/index.php?topic=859657>

Question 234

The long-run supply curve of an increasing-cost industry is:

- A) upward sloping
- B) vertical
- C) perfectly elastic since the firm has no fixed costs
- D) downward sloping

Answer: <https://biology-forums.com/index.php?topic=859791>

Question 235

Refer to Figure 6A.3. As the consumer moves from A to C:

- A) the relative quantities of food and clothing remain constant
- B) total utility is not affected
- C) total utility decreases
- D) total utility increases

Answer: <https://biology-forums.com/index.php?topic=859393>

Question 236

The consumer is in equilibrium when:

- A) the budget line and an indifference curve intersect
- B) two indifference curves intersect
- C) an increase in his or her budget shifts the indifference curve
- D) the budget line is tangent to an indifference curve

Answer: <https://biology-forums.com/index.php?topic=859398>

Question 237

Considering the following items, which does Canada export the most of?

- A) consumer goods
- B) lumber
- C) pharmaceuticals
- D) machinery and equipment

Answer: <https://biology-forums.com/index.php?topic=860405>

Question 238

If marginal product is positive but falling:

- A) total product must be falling
- B) total product is rising at a diminishing rate
- C) average product must be rising
- D) total product is rising at an increasing rate

Answer: <https://biology-forums.com/index.php?topic=859525>

Question 239

Marginal cost and incremental cost are computed using different formulas.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859692>

Question 240

Tax incentives reduce pollution because:

- A) they increase production costs
- B) they reduce production costs
- C) they increase the demand for goods
- D) they reduce output

Answer: <https://biology-forums.com/index.php?topic=860526>

Question 241

A compound tariff is a combination of a revenue tariff and an import quota.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860463>

Question 242

The slope of a non-linear curve at a particular point:

- A) is always positive
- B) is always negative
- C) is always zero
- D) could be positive or negative

Answer: <https://biology-forums.com/index.php?topic=858641>

Question 243

The circumstances which describe two individuals, both of whom would be better off if they could cooperate with each other, but nevertheless find it difficult to do so are described in a well known problem called:

- A) the Warden's Watch
- B) the Payoff Matrix
- C) the Prisoner's Dilemma
- D) the Preferred Winner

Answer: <https://biology-forums.com/index.php?topic=860036>

Question 244

Among the advantages of a free enterprise economic system are freedom of choice, protection of the environment, and social equity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860742>

Question 245

The major factors that affect price elasticity of supply include time, storage cost, and the availability of production substitutes and production complements.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859123>

Question 246

The monopolistically competitive firm will maximize its profits when its marginal revenue equals its marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860054>

Question 247

Examples of economic flow variables are income, investment, and consumption.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858596>

Question 248

Which of the following is a possible guide for monopoly regulation?

- A) Marginal-cost pricing
- B) Average-cost pricing
- C) Minimum average-cost pricing
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859905>

Question 249

If marginal product is zero:

- A) average product is at its minimum
- B) average product is at its maximum
- C) total product is falling
- D) total product is at its maximum

Answer: <https://biology-forums.com/index.php?topic=859530>

Question 250

The marginal cost curve cuts the average variable cost and the average total cost curves at their minimum points.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859706>

Question 251

Refer to the data in Table 14.2 to answer this question. What is the cost of a kilogram of barley (in terms of oats) in Country B?

- A) 2 kg. of oats
- B) 0.5 kg. of oats
- C) 3 kg. of oats
- D) 1.67 kg. of oats

Answer: <https://biology-forums.com/index.php?topic=860370>

Question 252

The consumer maximizes his or her satisfaction when he or she:

- A) attains the lowest indifference curve because of the huge savings

- B) finds two indifference curves that intersect
- C) attains the highest possible indifference curve consistent with his or her budget
- D) is able to obtain more goods and services without spending any additional money

Answer: <https://biology-forums.com/index.php?topic=859397>

Question 253

An increase in saving causes:

- A) the demand for loanable funds to increase
- B) the demand for loanable funds to decrease
- C) the supply of loanable funds to increase
- D) the supply of loanable funds to decrease

Answer: <https://biology-forums.com/index.php?topic=860148>

Question 254

It is quite easy to eliminate relative poverty. The only problem is with absolute poverty.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860311>

Question 255

The line joining the points of tangency between budget lines and indifference curves as the consumer's income changes is:

- A) the extended budget line
- B) the extended income line
- C) the tangency equilibrium curve
- D) the income consumption curve

Answer: <https://biology-forums.com/index.php?topic=859410>

Question 256

In any production process, marginal product and average product must always be equal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859584>

Question 257

Producer surplus is the difference between the amount that producers receive from selling an item and the amount they would have accepted for the item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859202>

Question 258

Mary sells straw hats. She notices that a small increase in the price of her hats has absolutely no effect on her total revenue. This suggests that the demand for her straw hats is:

- A) elastic
- B) inelastic
- C) zero elastic
- D) unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859049>

Question 259

In the expression $Q = Q(r, V)$:

- A) Q, r, and V are dependent variables
- B) Q is the dependent variable, while r and V are independent variables
- C) r and V are dependent variables, while Q is the independent variable because it stands alone
- D) there are no dependent variables

Answer: <https://biology-forums.com/index.php?topic=858618>

Question 260

The United States is the main supplier of Canada's imports.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860462>

Question 261

Refer to Figure 4.1. For which demand curve will an increase in price from P1 to P2 yield the greatest increase in total revenue?

- A) D2
- B) D3
- C) D
- D) D1

Answer: <https://biology-forums.com/index.php?topic=859057>

Question 262

Families and unattached individuals with very small quantities and low quality of natural resources and physical and human capital will tend to have low incomes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860330>

Question 263

The Rand Formula is seen as:

- A) a threat to union security
- B) a big victory to non-unionized workers
- C) a boost to union security
- D) necessary to prevent unqualified employees from entering the industry

Answer: <https://biology-forums.com/index.php?topic=860119>

Question 264

If P represents price, Q represents quantity demanded, and Y represents income, then the expression $Q = Q(P, Y)$ means that:

- A) quantity demanded can be found by multiplying P and Y
- B) quantity demanded can be found by multiplying Q by P and Y
- C) changes in P or Y will cause Q to change
- D) P and Y are both dependent upon Q

Answer: <https://biology-forums.com/index.php?topic=858964>

Question 265

Which of the following is an example of a monopoly in Canada?

- A) Tim Hortons
- B) The Toronto Transit Commission (TTC)
- C) Walmart
- D) The Canadian Wheat Marketing Board

Answer: <https://biology-forums.com/index.php?topic=859739>

Question 266

The average product of a variable factor is the total product divided by the volume of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859581>

Question 267

Diminishing average productivity sets in when:

- A) marginal product begins to decline
- B) total product begins to decline
- C) marginal product begins to exert a downward pressure on average product
- D) average product becomes negative

Answer: <https://biology-forums.com/index.php?topic=859534>

Question 268

The term used to describe the situation where a company sells its exports in foreign countries more cheaply than the domestic price is:

- A) dumping
- B) predatory trade
- C) exceptional exports
- D) penetration trade policy

Answer: <https://biology-forums.com/index.php?topic=859912>

Question 269

Natural endowment has nothing to do with comparative advantage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860443>

Question 270

An indifference schedule:

- A) shows various combinations of commodities that give a consumer the same level of satisfaction
- B) shows various combinations of commodities that can be bought for the same amount of money
- C) contains a combination of goods that the consumer has rejected after choosing what is desired
- D) is a table of indifference based on the consumer's budget and the prices of the commodities that the consumer buys

Answer: <https://biology-forums.com/index.php?topic=859371>

Question 271

Some regions in China do not allow citizens to migrate, educate themselves, make personal career choices, or practice certain religions. This is an example of:

- A) socialism
- B) communism
- C) socialistic capitalism
- D) mercantilism

Answer: <https://biology-forums.com/index.php?topic=860736>

Question 272

A graph showing the relationship between ice cream in Italy and coffee in Brazil is perfectly vertical.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858679>

Question 273

The extent of market power can be determined simply by looking at the number of firms in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860096>

Question 274

The long run is defined as a situation in which the firm can vary all its inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859569>

Question 275

A monopolistic firm can:

- A) sell a larger quantity by lowering its price
- B) sell as much as it can produce at the existing price
- C) sell a larger quantity at any price
- D) lower the price by restricting output

Answer: <https://biology-forums.com/index.php?topic=859866>

Question 276

The break-even point is the point at which:

- A) the firm is maximizing its profit
- B) total revenue rises above total cost
- C) total revenue equals total cost
- D) the firm has eliminated all fixed costs

Answer: <https://biology-forums.com/index.php?topic=859744>

Question 277

An increase in the tax on the profits of a monopolist will not affect its profit-maximizing price and quantity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859967>

Question 278

Promotion based solely on ethnicity or gender is an example of:

- A) discrimination
- B) equity
- C) upward mobility
- D) preference

Answer: <https://biology-forums.com/index.php?topic=860264>

Question 279

A tariff aimed at protecting domestic industries is called:

- A) a revenue tariff
- B) a protective tariff
- C) a specific tariff
- D) an ad valorem tariff

Answer: <https://biology-forums.com/index.php?topic=860416>

Question 280

Marginal cost can be obtained from either total cost data or from total variable cost data.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859709>

Question 281

If average variable cost is falling, then marginal cost must be below average variable cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859704>

Question 282

Refer to Figure 10.3. This firm can increase its profits by raising its price to \$15.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859943>

Question 283

Which of the following will cause an increase in demand, other things being equal?

- A) An increase in consumers' incomes
- B) An increase in the price of the product
- C) A fall in the price of the product
- D) An increase in the price of a complement of the good

Answer: <https://biology-forums.com/index.php?topic=858841>

Question 284

The stated objective of the Employment Insurance system is:

- A) to encourage people to return to work
- B) to ensure that people take as long as is necessary to find employment that they really like
- C) to provide incentives for people to quit jobs that they do not like
- D) to increase part-time employment to full-time status

Answer: <https://biology-forums.com/index.php?topic=860272>

Question 285

The Lorenz curve shows:

- A) inequality in the distribution of income
- B) the ratio of a country's household income to its imports
- C) the relation between wealth and the value of total production
- D) the relation between income derived from labour and income derived from all other sources

Answer: <https://biology-forums.com/index.php?topic=860225>

Question 286

On a graph, the point (3,-2) would appear in the third quadrant.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858669>

Question 287

If an excise tax is imposed on each unit of a commodity sold by a monopolist, the price will rise, but by an amount less than the tax. True or False?

Answer: <https://biology-forums.com/index.php?topic=859969>

Question 288

Fixed factors of production are resources whose prices remain fixed for long periods of time. True or False?

Answer: <https://biology-forums.com/index.php?topic=859565>

Question 289

Refer to Figure 16.1. At a search time of Q:

- A) additional search will cause the extra benefit to increase so the search should continue
- B) there is nothing to be gained from additional search time so the search should be abandoned
- C) the additional cost of extra search is constant
- D) search time is optimized

Answer: <https://biology-forums.com/index.php?topic=860618>

Question 290

The marginal cost curve for search time is:

- A) upward sloping
- B) downward sloping
- C) vertical
- D) horizontal

Answer: <https://biology-forums.com/index.php?topic=860616>

Question 291

Intersecting indifference curves would mean:

- A) that the consumer maximizes satisfaction at the point of intersection
- B) that the consumer minimizes satisfaction at the point of intersection
- C) that the consumer is irrational
- D) that the consumer has no difficulty making choices

Answer: <https://biology-forums.com/index.php?topic=859387>

Question 292

The rate of interest and the amount of funds lent out determine interest income. True or False?

Answer: <https://biology-forums.com/index.php?topic=860206>

Question 293

Which of the following statements is true of the effects of rent control?

- A) Some tenants may benefit
- B) Some landlords may benefit
- C) Part of the deadweight loss from rent control is borne by landlords
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859161>

Question 294

If the supply of an item is perfectly elastic, the incidence of an excise tax:

- A) falls entirely on producers
- B) falls entirely on consumers
- C) is shared equally between producers and consumers
- D) is borne primarily by consumers; however, there is a minimal incidence accruing to producers

Answer: <https://biology-forums.com/index.php?topic=859187>

Question 295

Which of the following involves opportunity cost?

- A) The decision to go to college or seek full-time employment
- B) The decision to sleep in and miss class
- C) The decision to take public transportation or use your car
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858700>

Question 296

If an item has a large number of uses, its demand is likely to be inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859103>

Question 297

A demand function can be expressed as $QD = Q(P)$ where QD = quantity demanded and P = price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858991>

Question 298

The trading curve is just another name for the production possibility curve and the purchase possibility curve combined.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860438>

Question 299

If we assume that income is more evenly distributed in Canada than in a less developed country, then:

- A) the Lorenz curve for the less developed country would be further away from the diagonal line than that for Canada
- B) the Lorenz curve for the less developed country would be vertical, while that for Canada would be upward sloping
- C) the Lorenz curve for the less developed country would be upward sloping, while that for Canada would be downward sloping
- D) the Lorenz curve for the less developed country would be closer to the diagonal line than that for Canada

Answer: <https://biology-forums.com/index.php?topic=860227>

Question 300

We can eliminate the problem of scarcity by:

- A) producing goods and services at a lower cost
- B) encouraging everyone to work twice as hard
- C) increasing our natural resources
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858468>

Question 301

In economics, utility refers to the different uses that an item has. The greater the number of uses, the greater the utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859309>

Question 302

In economics, the term demand refers to:

- A) a desire or a need for a product
- B) the amount bought at a particular price
- C) the various quantities that buyers are willing and able to buy at different prices
- D) the exchange that occurs as the result of a consumer's desire to make a purchase from a seller.

Answer: <https://biology-forums.com/index.php?topic=858825>

Question 303

Examples of experience goods include:

- A) computers
- B) TV sets
- C) automobiles
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860637>

Question 304

The practice of selling a product to various buyers or groups of buyers at different prices for reasons unrelated to cost differences is called:

- A) product differentiation
- B) market differentiation
- C) price discrimination
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859908>

Question 305

X-inefficiency refers to:

- A) failure to produce a given output at minimum cost
- B) inefficiency imposed on a firm from outside
- C) past inefficiency which has now been corrected
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859888>

Question 306

Malfunctions in the market mechanism:

- A) are of no consequence in our modern economy
- B) are so infrequent that they can be ignored
- C) can lead to inefficient outcomes
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860475>

Question 307

The slope of a straight line provides information on the steepness or flatness of the line and is measured by the ratio of the vertical distance to the horizontal distance between two points.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858683>

Question 308

Lower prices will tend to increase consumer surplus.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859197>

Question 309

In a purely competitive labour market, an increase in the demand for labour, other things being equal, will cause the quantity of labour to:

- A) increase, and the wage rate to rise
- B) increase, and the wage rate to fall
- C) decrease, and the wage rate to rise
- D) decrease, and the wage rate to fall

Answer: <https://biology-forums.com/index.php?topic=860108>

Question 310

Which of the following will cause an increase in supply, other things being equal?

- A) An increase in the price of the product
- B) A decrease in production costs
- C) An increase in the price of inputs
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=858860>

Question 311

The greenhouse effect is:

- A) the heating of the earth by greenhouse gases
- B) the effect of growing tropical fruits in greenhouses
- C) the result of destroying greenhouses
- D) the gradual cooling of the earth overtime

Answer: <https://biology-forums.com/index.php?topic=860535>

Question 312

To refer to a firm as a price-taker means that:

- A) the firm can influence the price by varying its output
- B) the firm can set the price and sell any quantity at that price
- C) the firm must accept the market price as given
- D) the firm can manipulate the price as much as it wants

Answer: <https://biology-forums.com/index.php?topic=859733>

Question 313

The rising section of a long-run average cost curve implies:

- A) increasing returns to scale
- B) constant returns to scale
- C) decreasing returns to scale
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859665>

Question 314

One problem with the algebraic approach is that:

- A) it leads to the determination of the equilibrium price but not the equilibrium quantity
- B) it leads to the determination of the equilibrium quantity but not the equilibrium price
- C) surpluses and shortages cannot be determined at any given price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858957>

Question 315

Which of the following is not true of the Lorenz curve?

- A) The diagonal straight line shows complete equality of income
- B) The closer the Lorenz curve is to the diagonal line, the greater the inequality
- C) The closer the Lorenz curve is to the diagonal line, the greater the equality
- D) The inequality of income distribution can be measured by the area enclosed by the Lorenz curve and the diagonal line expressed as a proportion of the area of the triangle formed by the diagonal line

Answer: <https://biology-forums.com/index.php?topic=860226>

Question 316

The principal-agent problem can be resolved by:

- A) tying the agent's compensation with the accomplishment of the principal's objectives
- B) offering the agent substantial bonuses based on the extent to which the principal's objectives have been accomplished
- C) monitoring the activities of the agent to ensure that they are consistent with the achievement of the principal's objectives
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860664>

Question 317

Refer to Figure 9.2. The firm's total profit or loss is:

- A) EDCA
- B) PDCB
- C) OPBQ
- D) EPBA

Answer: <https://biology-forums.com/index.php?topic=859776>

Question 318

The guaranteed annual income proposal (GAIP) is a proposal for the government to give everyone a grant of a certain amount of money; any income above that level would be subject to tax.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860345>

Question 319

The production function:

- A) defines the maximum possible output that the firm can produce with a given quantity of resources
- B) defines the responsibilities of the firm in terms of distribution, advertising, sales, and such other management functions
- C) relates the firm's output to its profit level
- D) applies to firms with fixed inputs but no variable inputs

Answer: <https://biology-forums.com/index.php?topic=859514>

Question 320

The long-run supply curve of an increasing-cost industry is upward sloping.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859847>

Question 321

International trade deals with:

- A) exports but not imports
- B) imports but not exports
- C) international economic transactions
- D) political relationships between trading partners

Answer: <https://biology-forums.com/index.php?topic=860347>

Question 322

A classic example of a price floor is minimum wage legislation.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859225>

Question 323

The common-pool problem arises because individuals and firms are reluctant to use open-access resources.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860569>

Question 324

The consumer's opportunity cost increases as more and more time is spent acquiring information.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860673>

Question 325

Nail polish and running shoes will have a cross-price elasticity of zero because they are independent goods.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859112>

Question 326

The provision of certain goods and services free or at greatly reduced cost to the poor will do nothing more than exacerbate the cycle of poverty; these programs have never been effective in helping to reduce poverty.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860337>

Question 327

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 328

The price of an item rose and the quantity traded fell. This could be caused by:

- A) an increase in demand
- B) a decrease in demand
- C) an increase in supply
- D) a decrease in supply

Answer: <https://biology-forums.com/index.php?topic=858884>

Question 329

Producer surplus is the same for each producer because:

- A) each has identical cost
- B) consumer surplus and producer surplus must be equal

- C) the government enforces consumer surplus laws
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859146>

Question 330

Which of the following is considered to be production?

- A) The manufacturing of an automobile
- B) The provision of medical services by a physician
- C) The harvesting of a crop
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859473>

Question 331

In the country of Luciato, the government owns and operates some critical industries, but there is also private business ownership as well. Luciato has a very significant social welfare program designed to ensure social equity. The economic system in Luciato is best described as:

- A) communist
- B) socialist
- C) market economy
- D) a centrally planned economy

Answer: <https://biology-forums.com/index.php?topic=860729>

Question 332

In the long run, the monopolist maximizes its profits when it equates long-run marginal cost (LRMC) with MR.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859952>

Question 333

Through product differentiation, a firm tries to increase the demand for its product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860052>

Question 334

Refer to the above data. Andrea's transfer earnings are:

- A) \$200 000
- B) \$80 000
- C) \$120 000
- D) \$40 000

Answer: <https://biology-forums.com/index.php?topic=860141>

Question 335

A model is:

- A) a faithful and complete reproduction of reality
- B) a means of making reality more scientific and complex
- C) a simplification of, or an abstraction from, reality
- D) a theory that has been tested and found to lack realism and precision

Answer: <https://biology-forums.com/index.php?topic=858505>

Question 336

Increasing returns to scale can result from:

- A) specialization
- B) quantity discounts
- C) dimensional relations
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859667>

Question 337

Refer to Figure 10.3. If this firm produces an output of 70 units, the maximum revenue it can earn is \$490.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859944>

Question 338

Leading import items for Canada include machinery and equipment, industrial goods and materials, and automotive products.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860460>

Question 339

The branch of economics that deals with the use of statistical methods to test economic theories is called:

- A) econostats
- B) econometrics
- C) calculus
- D) statistics

Answer: <https://biology-forums.com/index.php?topic=858517>

Question 340

The firm's long-run cost curve declines, reaches a minimum, and then rises as output increases.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859715>

Question 341

Important macroeconomic issues include the volume of aggregate output, unemployment, inflation, and the international economy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858810>

Question 342

One of the main features of monopolistic competition is product differentiation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859811>

Question 343

A firm in pure competition:

- A) always earns profits because pure competition is efficient
- B) can only sell a small fraction of its output without lowering the price
- C) may earn profits or incur losses in the short run
- D) can increase profit whenever price is equal to marginal cost by increasing its output

Answer: <https://biology-forums.com/index.php?topic=859759>

Question 344

In the case of public goods, private decisions tend to lead to market failure. Hence, it is desirable for the government to get involved in the provision of such goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860558>

Question 345

Households, firms, and governments are willing to pay for information because the quantity of information demanded exceeds the quantity supplied, even if it were free.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860668>

Question 346

Refer to Figure 10.3. This firm will maximize its revenue when it produces an output of 60 units and charges a price of \$9.50.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859942>

Question 347

Which of the following is least likely to affect the price elasticity of demand for an item?

- A) The number of uses the item has
- B) The time period being considered

C) The availability of substitutes

D) The number of buyers

Answer: <https://biology-forums.com/index.php?topic=859067>

Question 348

All advertising efforts attempt to persuade with no informational content whatsoever.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860691>

Question 349

The short-run supply curve of a purely competitive firm is its entire marginal cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859834>

Question 350

A change in quantity supplied caused by a change in price is represented by a movement along the supply curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858941>

Question 351

Explicit costs are identical to:

A) economic costs

B) accounting costs

C) opportunity costs

D) imputed costs

Answer: <https://biology-forums.com/index.php?topic=859609>

Question 352

Peter Smith, an unemployed plumber, has just been hired and paid \$300 a week for his services. The opportunity cost, to the economy, of hiring Peter is:

A) his \$300 a week wages

B) his contribution to current production

C) the value he assigns to the opportunity to work at his present job

D) zero

Answer: <https://biology-forums.com/index.php?topic=858709>

Question 353

Higher effluent charges will tend to:

A) reduce prices

B) increase production costs

C) encourage more pollution

D) discourage investment in pollution reduction technologies

Answer: <https://biology-forums.com/index.php?topic=860525>

Question 354

Normal profits are returns which exceed the opportunity costs of the inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860212>

Question 355

A cap-and-trade system is a market-oriented approach to pollution control that involves the sale of pollution credits on the open market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860582>

Question 356

The services of professionals such as doctors, lawyers, professors, and consultants cannot be classified as labour because they do not exert much physical effort.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858557>

Question 357

When a price ceiling is introduced:

- A) allocation by sellers' preference is likely to arise
- B) allocation by buyers' preference is likely to arise
- C) efficiency in the market is enhanced
- D) a surplus will emerge

Answer: <https://biology-forums.com/index.php?topic=859152>

Question 358

In economics, the long run is a period covering over three years.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859573>

Question 359

The market system considers private costs and private benefits as well as social costs and social benefits.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860759>

Question 360

Total utility can be derived by adding the marginal utilities over the range of items consumed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859319>

Question 361

A firm is maximizing its profit provided that:

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

Answer: <https://biology-forums.com/index.php?topic=859749>

Question 362

A monopolist may deliberately not maximize profits to avoid attracting other firms into the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859946>

Question 363

An economy's production possibility curve can never shift to the left.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858799>

Question 364

The effect on quantity demanded caused by the change in purchasing power resulting from a change in price is referred to as:

- A) the price effect
- B) the real income effect
- C) the demand effect
- D) the quantity demanded effect

Answer: <https://biology-forums.com/index.php?topic=858838>

Question 365

The terms of trade are the rates at which a country's exports are exchanged for its imports.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860433>

Question 366

In the indifference curve approach, the numbers have cardinal, not ordinal, significance.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859424>

Question 367

In the context of asymmetric information, the lemon problem refers to:

- A) the difference between the prices of lemons and limes
- B) the tendency for low quality used cars to drive high quality cars out of the market
- C) the tendency for high quality used cars to drive low quality used cars out of the market
- D) the fact that lemons command a relatively low price even though they have far many more uses than do oranges

Answer: <https://biology-forums.com/index.php?topic=860645>

Question 368

To maximize profits, the discriminating monopolist will allocate output equally in each market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859966>

Question 369

Which of the following is true regarding China's economic system?

- A) The economic system is capitalist. However, the political system is communist
- B) The economic system is communist with clear indications of strengthening government control
- C) The economic system is communist, but it is evident that China is gradually moving towards capitalism
- D) The economic system varies enormously across the country—the north has a tendency towards capitalism, whereas the south is clearly organized as a socialist state.

Answer: <https://biology-forums.com/index.php?topic=860733>

Question 370

Refer to Figure 9.2. The firm's total variable cost is:

- A) 0PBQ
- B) 0EAQ
- C) EPBA
- D) EDCA

Answer: <https://biology-forums.com/index.php?topic=859775>

Question 371

According to the kinked demand curve model of oligopolistic behaviour, prices in oligopolistic markets are insensitive to small changes in costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860081>

Question 372

The term imperfect competition encompasses both monopolistic competition and oligopoly.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860042>

Question 373

Economists concern themselves with:

- A) the organization, functions, and operations of the state, and with voting behaviour
- B) the behaviour of people engaged in the activity of using scarce resources to satisfy their wants
- C) the political aspirations of government agents
- D) the activities of the department of finance and central bank exclusively

Answer: <https://biology-forums.com/index.php?topic=858474>

Question 374

The law of diminishing marginal utility implies:

- A) the more you have of a particular good, the less income you will spend in it in the future
- B) that the more you have of consumption items, the more satisfied you are
- C) that the more you have of something, the less you value an additional unit of it
- D) as your ability to obtain consumption goods diminishes, your marginal utility also diminishes

Answer: <https://biology-forums.com/index.php?topic=859269>

Question 375

Minimum wage legislation is a classic example of a price ceiling in the Canadian economy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859211>

Question 376

The excess capacity theorem states that:

- A) firms in pure competition will operate with excess capacity
- B) monopolies will never operate with excess capacity
- C) firms in monopolistic competition will never operate with excess capacity
- D) firms in monopolistic competition do not produce an output which minimizes average cost

Answer: <https://biology-forums.com/index.php?topic=859998>

Question 377

Lee Sum borrowed \$1000 from a bank for one year and paid \$68 in interest for the year. The annual rate of interest was:

- A) 8.6%
- B) 6.8%
- C) 1.8
- D) 8.1%

Answer: <https://biology-forums.com/index.php?topic=860145>

Question 378

If $MU=0$:

- A) TU will be at its maximum
- B) TU will increase
- C) TU will fall
- D) TU will be indeterminate

Answer: <https://biology-forums.com/index.php?topic=859265>

Question 379

Low levels of education and low productivity are among the causes of income inequality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860302>

Question 380

A knowledge of economics:

- A) increases our understanding of social issues
- B) gives people a better understanding of world affairs
- C) develops logical thinking
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858447>

Question 381

In economics, rent refers to the hiring of a car, a house, capital equipment, etc., for a specified period.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860193>

Question 382

Refer to Figure 2.1 above. Point B represents output levels that are:

- A) efficient
- B) desirable but unattainable
- C) desirable but inefficient
- D) associated with some unemployment

Answer: <https://biology-forums.com/index.php?topic=858728>

Question 383

The demand and supply equations are $P = 42 - QD$ and $P = 2QS$. At a price of 30:

- A) a shortage of 12 exists
- B) a shortage of 15 exists
- C) a surplus of 3 exists

D) a surplus of 12 exists

Answer: <https://biology-forums.com/index.php?topic=858980>

Question 384

Sources of information about products include:

- A) newspapers
- B) magazines
- C) advertisements
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860606>

Question 385

The expression that an increase in income (Y) causes an increase in spending (S) can be expressed as:

- A) $Y = Y(S)$
- B) $S = S(Y)$
- C) $S = Y(S)$
- D) $Y = S$

Answer: <https://biology-forums.com/index.php?topic=858615>

Question 386

The circular flow model with only households and firms illustrates:

- A) how the prices of resources, goods, and services are determined
- B) how competition achieves economic efficiency
- C) how resources are allocated
- D) how households and firms interact through markets

Answer: <https://biology-forums.com/index.php?topic=858757>

Question 387

Which of the following can result from international trade?

- A) Increased efficiency
- B) Economies of scale
- C) Both A and B
- D) Neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860396>

Question 388

Canada has an excellent chance of meeting or even surpassing its Kyoto commitment.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860588>

Question 389

Which of the following will cause an increase in demand for MP3 players?

- A) An increase in consumers' incomes
- B) Expectations of increases in the prices of MP3 players in the future
- C) An increase in the size of the market in terms of the number of buyers of MP3 players
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858843>

Question 390

The Canada Pension Plan (CPP) and the Quebec Pension Plan (QPP) provide benefits to:

- A) all individuals living in Canada
- B) all Canadian citizens
- C) people who have contributed to the plan
- D) anyone, between the ages of 45-65, who applies

Answer: <https://biology-forums.com/index.php?topic=860269>

Question 391

One serious limitation of using graphs in economics is that:

- A) they are too difficult to understand

- B) they can be used only when several variables are involved
- C) our ability to use graphs decreases as the number of variables increases
- D) it is only possible to use a graph for a two-variable model

Answer: <https://biology-forums.com/index.php?topic=858631>

Question 392

Refer to Table 7.2. Which of the following is correct?

- A) Method A is technically most efficient because it uses more capital than either A or C
- B) Method C is technically most efficient because it uses the least amount of labour
- C) Method B is technically inefficient because it uses more labour and more capital than either A or C
- D) Method A is technically most efficient because it uses less capital than either B or C

Answer: <https://biology-forums.com/index.php?topic=859494>

Question 393

For a monopolist that is maximizing its profits:

- A) the price will be set at its marginal cost
- B) price will always be greater than average revenue
- C) marginal revenue will be greater than marginal cost
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859876>

Question 394

A demand schedule is a table, a demand curve is a graph, and a demand function is an equation all showing the relationship between quantity demanded and price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858997>

Question 395

Refer to Figure 10.1. At the profit-maximizing output, the firm's total cost is:

- A) ORSP
- B) OG × OL
- C) OE × OA
- D) OCDA

Answer: <https://biology-forums.com/index.php?topic=859884>

Question 396

A situation in which the informed party to a transaction uses his or her information advantage to act in a way that harms the uninformed party is called:

- A) informational advantage
- B) reverse discrimination
- C) inverse advantage
- D) adverse selection

Answer: <https://biology-forums.com/index.php?topic=860649>

Question 397

Because of the nature of public goods:

- A) private firms are quite willing to produce them
- B) private firms would be unwilling to provide them
- C) the government has no interest in them
- D) only philanthropists are interested in them

Answer: <https://biology-forums.com/index.php?topic=860495>

Question 398

In a perfect cartel, all decisions regarding price and output are surrendered to a central decision-making body, and the profits are distributed to each firm according to the terms of the cartel agreement.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860087>

Question 399

The monopolistic firm faces a downward sloping demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859927>

Question 400

A good is described as an economic good if:

- A) the quantity of the good demanded exceeds the quantity supplied at a price of zero
- B) the quantity supplied exceeds the quantity demanded at a price of zero
- C) no one has to pay for it
- D) an economic profit is made when the good is sold

Answer: <https://biology-forums.com/index.php?topic=860595>

Question 401

Normal profits are returns that just equal the opportunity cost of the resources used.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860210>

Question 402

Two countries cannot gain from trade if one of the countries has an absolute advantage in the production of both commodities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860432>

Question 403

Duopoly is a market structure characterized by:

- A) many sellers
- B) a single seller
- C) only two firms
- D) only two major industries

Answer: <https://biology-forums.com/index.php?topic=860006>

Question 404

The main objective of business advertising is to increase the sale of the commodity that is advertised.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860692>

Question 405

Arbitrage transactions refer to:

- A) the ability of the monopolist to group the buyers of its product into different classes so they can price discriminate
- B) the production of output which is not included in a firm's traditional line of business
- C) the purchase of products on the black market, for resale in commercial outlets
- D) the purchase of products in a low-price market and their resale in a high-price market, thus producing a profit on the transactions

Answer: <https://biology-forums.com/index.php?topic=859913>

Question 406

Which of the following is designed specifically to help low income people?

- A) Old age security pension
- B) Employment insurance
- C) Guaranteed income supplement
- D) Allowance and Allowance for the Survivor

Answer: <https://biology-forums.com/index.php?topic=860267>

Question 407

Refer to Table 14.1. In country A, the opportunity cost of coffee, in terms of computers, is:

- A) 222 computers
- B) 2.2 computers
- C) 0.22 of a computer
- D) 0.022 of a computer

Answer: <https://biology-forums.com/index.php?topic=860361>

Question 408

The terms of trade argument is the claim that tariffs improve the country's terms of trade and thus make the country better off.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860465>

Question 409

A minimum wage established by the government:

- A) is essentially a price ceiling which would create a shortage of workers
- B) is essentially a price floor that may create a surplus of workers
- C) will have no effect on the quantity of labour employed
- D) will adversely affect only those workers whose wages are above the legal wage rate

Answer: <https://biology-forums.com/index.php?topic=859163>

Question 410

The functional notation can be used only when there are several independent variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858661>

Question 411

The expression $Q = Q(Y)$ means that changes in Q will cause changes in Y .

True or False?

Answer: <https://biology-forums.com/index.php?topic=858656>

Question 412

According to the principle of absolute advantage, a country should:

- A) never specialize
- B) specialize on the product in which absolute advantage cannot be attained
- C) specialize absolutely, regardless of the advantage
- D) specialize on the product in which it has an absolute advantage

Answer: <https://biology-forums.com/index.php?topic=860367>

Question 413

The existence of external benefits from public goods requires public policy to expand output beyond the private equilibrium level.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860559>

Question 414

Which of the following is an example of a firm in a monopolistically competitive industry?

- A) A beauty salon in Winnipeg
- B) A restaurant in St. John, New Brunswick
- C) A shoe store in Hamilton, Ontario
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859978>

Question 415

If demand is inelastic:

- A) a fall in price will increase total revenue
- B) a fall in price will reduce total revenue
- C) an increase in price will reduce total revenue
- D) an increase in price will leave total revenue unchanged

Answer: <https://biology-forums.com/index.php?topic=859046>

Question 416

One of the uses of the cross-price elasticity concept is that it helps to determine whether products are substitutes or complements.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859109>

Question 417

Refer to Table 7.2. With the prices reversed, which of the following statements is correct?

- A) Methods A and B are both technically efficient, but A is economically more efficient

- B) Methods A and C are both technically efficient, but C is economically more efficient
C) Methods A and C are both technically efficient, but A is economically more efficient
D) Methods B and C are both economically efficient, but B is technically more efficient

Answer: <https://biology-forums.com/index.php?topic=859499>

Question 418

If Pearson Education, a publishing company, hires Professor Mumble to write an economics textbook, then in the contract between them, Pearson Education is the principal and Professor Mumble is the:

- A) representative
B) the principle-agent
C) the agent
D) the contractor

Answer: <https://biology-forums.com/index.php?topic=860659>

Question 419

Which of the following are current threats to our ecosystems?

- A) Rapid industrial expansion
B) Resource-based industries
C) Rural development
D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860503>

Question 420

The consumer's demand curve can be derived from the price consumption curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859467>

Question 421

Which of the following is a firm?

- A) The Federal Department of Justice
B) The provincial Department of Labour
C) The Department of Education
D) A private school established for profit

Answer: <https://biology-forums.com/index.php?topic=859478>

Question 422

An orchestra consists of 80 musicians of whom 30 are females. This means that 62.5% of the musicians are males.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858691>

Question 423

As the market wage increases, more time will be spent in searching.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860686>

Question 424

The consumer is in equilibrium when:

- A) the marginal rate of substitution equals the ratio of the prices
B) the marginal rate of substitution is higher than the ratio of the prices
C) two budget lines intersect and the budget is fully spent
D) the budget line crosses the indifference curve

Answer: <https://biology-forums.com/index.php?topic=859399>

Question 425

As useful as utility analysis may be, it is useless in terms of helping us to derive the consumer's demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859348>

Question 426

Which of the following does not apply to monopolistic competition?

- A) The market consists of a large number of firms
- B) The product is homogeneous
- C) The products are differentiated
- D) There is freedom of entry and exit

Answer: <https://biology-forums.com/index.php?topic=859980>

Question 427

In economic theory, we assume that the objective of a firm is to:

- A) maximize total revenue
- B) become a monopoly and dominate the industry
- C) avoid taxes and government regulation
- D) maximize profits

Answer: <https://biology-forums.com/index.php?topic=859484>

Question 428

The home computer is an example of a search good—you have to take it home and try it out before you are able to make an observation about its quality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860696>

Question 429

In a certain year, the population of a small college in Canada was 6500. Ten years later, the student population reached 8000. The percentage change in the college's student population over the ten-year period was:

- A) 2.3%
- B) 12.3%
- C) 1.9%
- D) 8.7%

Answer: <https://biology-forums.com/index.php?topic=858645>

Question 430

If average product is rising:

- A) marginal product must be rising
- B) marginal product equals average product
- C) marginal product is greater than average product
- D) marginal product must be falling

Answer: <https://biology-forums.com/index.php?topic=859528>

Question 431

The opportunity cost of keeping savings under a mattress would be the interest that could have been earned by investing the savings.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858779>

Question 432

A production possibility curve is used to show how the prices of goods and services are determined in a competitive situation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858789>

Question 433

If the price of a product increases, quantity supplied will increase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858928>

Question 434

A government regulation which forces a profit-maximizing monopolist to operate with price equal to marginal cost will cause the monopolist to:

- A) increase output and lower price
- B) increase output and raise price
- C) reduce output and raise price
- D) reduce output and lower price

Answer: <https://biology-forums.com/index.php?topic=859907>

Question 435

The economic system called capitalism is also referred to as the free enterprise system.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860740>

Question 436

The Lorenz curve is a device for showing:

- A) the extent of poverty
- B) the level of unemployment
- C) the wealth of a country
- D) the degree of income inequality

Answer: <https://biology-forums.com/index.php?topic=860224>

Question 437

The marginal cost (MC) curve for search slopes upward, reflecting the fact that the marginal cost of acquiring additional information increases as the consumer extends his or her search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860678>

Question 438

One measure used to determine the extent to which a market is dominated by a few firms is:

- A) Market Domination Index
- B) Herfindahl-Hirschman Index
- C) Hans-Hirschman Index
- D) Herfindahl-Hans Index

Answer: <https://biology-forums.com/index.php?topic=860009>

Question 439

If scarcity did not exist, we would still have to make choices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858545>

Question 440

Major export items for Canada include:

- A) machinery and equipment
- B) automotive products
- C) energy products
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860404>

Question 441

The Rand Formula makes it compulsory for workers to pay union dues even if they are not union members.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860177>

Question 442

Refer to Table 6.2. If Eddie has a budget of \$9, he should buy:

- A) three chocolate bars and no milk shakes
- B) one chocolate bar and four milk shakes
- C) two chocolate bars and one milk shake
- D) one chocolate bar and three milk shakes

Answer: <https://biology-forums.com/index.php?topic=859285>

Question 443

Refer to Figure 2.3. An increase in technology that affects only grape production is shown by PPC3.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858801>

Question 444

Quasi-rent is the return on a factor of production whose supply is unlimited in the short run.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860201>

Question 445

Unlike the demand for goods and services, the demand for labour is a direct demand.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860157>

Question 446

Market condition describes the situation of the market in terms of the relation between the quantity demanded and the quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858944>

Question 447

The firm's long-run average cost curve:

- A) is the cost curve showing the minimum cost per unit at which a firm can produce each level of output
- B) is tangent to the infinite number of SRAC curves
- C) is sometimes called the envelope curve
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859662>

Question 448

Consumer surplus is:

- A) total consumer expenditure on high-priced items
- B) the total amount that consumers save out of their income
- C) the total amount consumers are willing to pay for an item, minus the market price of the item
- D) the same for all consumers in a market where the price of an item is determined by demand and supply

Answer: <https://biology-forums.com/index.php?topic=859138>

Question 449

The best way to determine whether an item is an inferior good or a normal good is to find its cross-price elasticity of demand.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859113>

Question 450

If the nominal rate of interest is 8.4% and the inflation rate is 2.4% then the real rate of interest will be:

- A) 10.8%
- B) 6%
- C) 6.4%
- D) 4.6%

Answer: <https://biology-forums.com/index.php?topic=860153>

Question 451

Real capital refers to money because the only purpose of other types of capital is to make money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858558>

Question 452

Pareto efficiency is a state in which:

- A) it is possible to make everyone better off
- B) any change in allocation will make everyone worse off
- C) it is impossible to make someone better off without making someone else worse off
- D) it is impossible to improve anyone's welfare

Answer: <https://biology-forums.com/index.php?topic=859792>

Question 453

Refer to Table 6.3. When the price falls from \$10 to \$6:

- A) market demand rises by 10
- B) market demand rises by 5
- C) market quantity demanded rises by 5
- D) market quantity demanded rises by 10

Answer: <https://biology-forums.com/index.php?topic=859305>

Question 454

The main problem with distribution according to contribution is that the market system would be inefficient.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860283>

Question 455

A certain hypothesis states that people tend to buy more goods and services as their incomes rise. In this hypothesis:

- A) the quantity of goods and services bought is the independent variable
- B) income is the independent variable
- C) it is impossible to identify the dependent or the independent variable
- D) both variables are dependent on a third variable that is not mentioned

Answer: <https://biology-forums.com/index.php?topic=858620>

Question 456

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 457

The profit-seeking monopolist operates at a level of output where:

- A) $P = MC$
- B) $MC = ATC$
- C) $MR = MC$
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859879>

Question 458

Production facilitates the acquisition of goods and services by consumers and firms, but not by government

True or False?

Answer: <https://biology-forums.com/index.php?topic=859546>

Question 459

On a production possibilities curve with consumer goods on the y-axis and capital goods on the x-axis, the decision to produce more capital goods than consumer goods will:

- A) shift the pp-curve around the y-axis
- B) shift the pp-curve around the x-axis
- C) shift the pp-curve out parallel to itself
- D) cause a movement along the original pp-curve, in the direction of the capital goods

Answer: <https://biology-forums.com/index.php?topic=858742>

Question 460

Refer to Figure 8.1. The average fixed cost curve is represented by:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859650>

Question 461

Because micro means small, and macro means large, it follows that macroeconomics is necessarily more difficult than microeconomics.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858609>

Question 462

Which of the following affects search time?

- A) The price of the item
- B) Wage rates
- C) Technology
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860624>

Question 463

Successful advertising will cause the firm's demand curve to be more elastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860066>

Question 464

The membership of an industrial union comprises workers in a single occupation irrespective of where they work.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860172>

Question 465

As buyers extend their search for lower prices, they acquire more information. Consequently, price differentials decrease.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860690>

Question 466

An increase in income, other things being equal, shifts the budget line outward and enables the consumer to attain a higher indifference curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859460>

Question 467

The incidence of an excise tax is independent of the elasticity of demand or the elasticity of supply of the item on which the tax is levied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859235>

Question 468

Diminishing marginal returns set in when:

- A) average product begins to fall
- B) marginal product begins to fall
- C) total product begins to fall
- D) marginal product begins to rise

Answer: <https://biology-forums.com/index.php?topic=859533>

Question 469

Orange juice and chalk will most likely be classified as:

- A) inferior goods
- B) substitutes
- C) complements
- D) independent goods

Answer: <https://biology-forums.com/index.php?topic=858850>

Question 470

Refer to Figure 8.1. The average variable cost curve is represented by:

- A) A

- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859653>

Question 471

Which of the following is not true of the paradox of value?

- A) It results from a confusion between total and marginal utilities
- B) It states that it is very surprising that goods with high total utilities have low market values
- C) The paradox is resolved by observing that market values are related to marginal, not total, utilities
- D) It proves that there are inherent contradictions in the theory of demand and utility

Answer: <https://biology-forums.com/index.php?topic=859290>

Question 472

A monopolistic firm:

- A) always makes positive economic profits
- B) may incur losses even though it has significant market power
- C) will never maximize its profits
- D) always maximizes its profits

Answer: <https://biology-forums.com/index.php?topic=859886>

Question 473

One way of overcoming the principal-agent problem is to provide incentives for the agent to pursue the objectives of the principal. True or False?

Answer: <https://biology-forums.com/index.php?topic=860721>

Question 474

A consumer maximizes his or her satisfaction by:

- A) avoiding the budget line for as long as possible and focusing on the indifference curves
- B) avoiding the indifference curves for as long as possible and focusing on the budget line
- C) searching the indifference map for directions about how to find intersecting indifference curves
- D) moving along his or her budget line to the highest indifference curve attainable

Answer: <https://biology-forums.com/index.php?topic=859408>

Question 475

Capitalism is an economic system in which most of the society's factors of production are owned by private individuals.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860739>

Question 476

Coke and Pepsi are considered to be substitutes. Therefore their cross-price elasticity of demand will be:

- A) positive
- B) negative
- C) zero
- D) infinite

Answer: <https://biology-forums.com/index.php?topic=859071>

Question 477

Variable factors are a phenomenon of:

- A) the long run only
- B) the short run only
- C) the long run and the short run
- D) large firms only

Answer: <https://biology-forums.com/index.php?topic=859512>

Question 478

Refer to Table 6A.1. The table shows that the consumer is willing to give up:

- A) three apples for one extra plum
- B) eight apples for five plums

- C) three apples for nine plums
- D) eight apples for one extra plum

Answer: <https://biology-forums.com/index.php?topic=859374>

Question 479

A natural monopolist exists when, because of substantial economies of scale, a single firm can satisfy the entire market demand more cheaply than two or more firms could.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859925>

Question 480

Poverty can never cause the population as a whole to accept a lower standard of living.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860317>

Question 481

Definitions are useful in model building because:

- A) they identify variables so that measurement can be facilitated
- B) they avoid the use of assumptions
- C) they replace hypotheses
- D) they eliminate objectivity from models

Answer: <https://biology-forums.com/index.php?topic=858508>

Question 482

Market signalling is the transmission of information, by the use of proxy measures, about unobservable characteristics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860714>

Question 483

Inflation is:

- A) a sudden but brief increase in the price of an item
- B) a sustained increase in the average level of prices over time
- C) a persistent decrease in the cost of living
- D) another term used to describe the standard of living

Answer: <https://biology-forums.com/index.php?topic=858752>

Question 484

Suppose we are trying to illustrate the allocation and components of government spending, dividing 100 cents to show the relative weight of each component. Which of the following visuals would be most effective?

- A) A line graph
- B) A concave curve
- C) A bar chart
- D) A pie chart

Answer: <https://biology-forums.com/index.php?topic=858630>

Question 485

Which of the following is true of convex indifference curves?

- A) As the consumer moves down along an indifference curve, their total utility is decreasing
- B) As the consumer moves along an indifference curve, that consumer is trading off one commodity for another
- C) As the consumer moves down along an indifference curve, his or her total utility is increasing
- D) As the consumer moves along an indifference curve, the consumer's income is increasing

Answer: <https://biology-forums.com/index.php?topic=859381>

Question 486

Allocative efficiency exists when price equals marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859956>

Question 487

Refer to Table 14.3. Country B has a comparative advantage in the production of:

- A) radios only
- B) pens only
- C) radios and pens
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860384>

Question 488

The main problem with the algebraic approach to market analysis is that it requires advanced mathematics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858986>

Question 489

The short-run supply curve of a firm in pure competition is:

- A) its entire marginal cost curve
- B) the portion of its marginal cost curve that lies above its average total cost curve
- C) the portion of its marginal cost curve that lies above its average variable cost curve
- D) the upward sloping section of the average variable cost curve

Answer: <https://biology-forums.com/index.php?topic=859779>

Question 490

An implicit cost is:

- A) a direct payment for inputs
- B) an opportunity cost
- C) the cost of idle resources
- D) the cost of unused inventory

Answer: <https://biology-forums.com/index.php?topic=859614>

Question 491

A surplus can be reduced or eliminated by:

- A) a fall in supply
- B) an increase in demand
- C) a fall in price
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858876>

Question 492

Which market structure is characterized by a large number of firms selling differentiated products?

- A) Perfect competition
- B) Oligopoly
- C) Monopoly
- D) Monopolistic competition

Answer: <https://biology-forums.com/index.php?topic=859735>

Question 493

An economy produces cell phones and DVD players. Which of the following will enable this economy to produce more cell phones without producing fewer DVD players?

- A) The production possibility curve shifts outward because of an increase in the quality of resources used to produce cell phones and DVD players
- B) The economy uses previously unemployed resources to produce cell phones
- C) New immigrants enter the country and cause the production possibility curve to shift outward
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858745>

Question 494

Fixed costs:

- A) do not vary with the volume of output
- B) are incurred only in the short run
- C) are incurred even if the firm temporarily suspends its operations
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859620>

Question 495

Refer to Figure 9.2. The firm's total fixed cost is:

- A) EDCA
- B) OEAQ
- C) EPBA
- D) PDCB

Answer: <https://biology-forums.com/index.php?topic=859773>

Question 496

Refer to Table 14.3. Country A has an absolute advantage in the production of:

- A) radios and pens
- B) radios only
- C) pens only
- D) neither radios nor pens

Answer: <https://biology-forums.com/index.php?topic=860381>

Question 497

The incidence of an excise tax on prescription drugs will be borne entirely by consumers.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859242>

Question 498

Technology reduces the cost of search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860687>

Question 499

A production quota, if set below the equilibrium quantity:

- A) raises the price above the free market equilibrium price
- B) lowers the price below the free market equilibrium price
- C) will not affect the equilibrium quantity
- D) will tend to raise the equilibrium quantity

Answer: <https://biology-forums.com/index.php?topic=859172>

Question 500

In an increasing-cost industry, costs increase as the industry's output expands by the entry of new firms.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859846>

Question 501

The only function of the household sector is to purchase goods and services.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858820>

Question 502

Which of the following is an example of a search cost?

- A) The time spent reading advertisements
- B) The time spent telephoning to acquire information
- C) The time spent inspecting a product
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860601>

Question 503

Purely competitive firms cannot successfully practise price discrimination.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859963>

Question 504

COLA (cost-of-living adjustment) is a method used to adjust wages to reflect changes in the price level.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860185>

Question 505

Moral appeal, as a method of reducing pollution, involves:

- A) laying charges against polluters
- B) enacting laws forbidding the indiscriminate disposal of waste
- C) encouraging polluters to voluntarily reduce their polluting activities
- D) designing taxes on an escalating scale commensurate with the level of pollution

Answer: <https://biology-forums.com/index.php?topic=860528>

Question 506

Marginal utility can easily be measured in terms of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859315>

Question 507

If $MUA/PA > MUB/PA$, then to maximize satisfaction, the consumer should:

- A) buy more of A and less of B
- B) buy more of B and less of A
- C) buy less of A and less of B
- D) buy more of A and more of B

Answer: <https://biology-forums.com/index.php?topic=859284>

Question 508

The number of students currently in your economics class is an example of a flow.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858598>

Question 509

When the demand curve is drawn:

- A) the price of the product is held constant
- B) the average income of the buyers is allowed to vary
- C) both price and income are held constant but other factors are allowed to vary
- D) only the price of the product is allowed to vary

Answer: <https://biology-forums.com/index.php?topic=858832>

Question 510

The optimal search for a lower price occurs just as soon as the marginal benefit from the search exceeds the marginal cost of the search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860674>

Question 511

A non-linear curve has:

- A) a constant slope at all points along the curve
- B) no slope at any point along the curve
- C) different slopes at various points along the curve
- D) a slope that cannot be measured

Answer: <https://biology-forums.com/index.php?topic=858642>

Question 512

An advantage of the free market enterprise system is:

- A) freedom of choice
- B) efficient markets
- C) automatic market co-ordination
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860725>

Question 513

The market demand curve is the horizontal summation of the individual demand curves.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859352>

Question 514

Which of the following statements best differentiates price ceilings and price floors?

- A) Price ceilings represent minimum prices, while price floors represent maximum prices
- B) Price ceilings are always set below the equilibrium price, and price floors are always set above the equilibrium price
- C) Price ceilings are maximum prices above which one cannot legally sell, whereas price floors are minimum prices below which one cannot legally sell
- D) Price floors cause shortages to appear, whereas price ceilings cause surpluses to appear

Answer: <https://biology-forums.com/index.php?topic=859156>

Question 515

Which of the following is an economic prediction?

- A) The price of oil will reach a peak of \$140 a barrel by the end of the year
- B) If the price of oil rises, interest rates will also rise
- C) The growth rate of total output will be 3.8% in 2012
- D) The unemployment rate will fall to 6.5% by the end of the year

Answer: <https://biology-forums.com/index.php?topic=858514>

Question 516

In general, the total product curve:

- A) starts at some positive point on the vertical axis, rises slowly at first, then quickens, and then falls
- B) starts at the origin, rises quickly at first, then slows down, reaches a maximum, and then declines
- C) is at upward sloping straight line through the origin which never reaches a maximum
- D) starts at a positive point on the horizontal axis, and rises steadily thereafter, never reaching a maximum

Answer: <https://biology-forums.com/index.php?topic=859522>

Question 517

Instead of staying home and studying, you choose to go to the movies. By so doing:

- A) you gave up the opportunity to study
- B) you failed to exercise choice
- C) you definitely showed poor judgement
- D) no choice was made at all because, in this example, there is a clear preference, thus removing choice

Answer: <https://biology-forums.com/index.php?topic=858694>

Question 518

Figure 2.1 shows the production possibility curve for an economy. Which of the following is true?

- A) The economy cannot move from point A to point C without an increase in technology or resources
- B) The economy can move from point B to point C with no increase in technology or resources
- C) The economy can move from point D to point A if it ceases to produce pears
- D) At point B, the economy can produce either more pears or more file folders, but not more of both

Answer: <https://biology-forums.com/index.php?topic=858726>

Question 519

The law of diminishing marginal utility states that a consumer inevitably reaches a point where less additional satisfaction is obtained from consuming each additional unit of a good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859325>

Question 520

Goods that are determined by the government to be good for people are called:

- A) government goods
- B) merit goods
- C) social benefit goods

D) demonstrable goods

Answer: <https://biology-forums.com/index.php?topic=860499>

Question 521

If the price ceiling is set above the market equilibrium price, it will not have any effect.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859213>

Question 522

Productive inefficiency describes an economic situation in which it is possible to produce more of one commodity without producing less of some other commodity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858796>

Question 523

The establishment of property rights is likely to reduce the level of pollution.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860578>

Question 524

Average variable cost may be obtained by:

- A) dividing total variable cost by quantity of output
- B) subtracting average fixed cost from average total cost
- C) both A and B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=859633>

Question 525

If C represents cost, Q represents output, and Y represents inputs, then the cost function can be expressed as:

- A) $Y = Q(C)$
- B) $Q = Q(Y)$
- C) $C = C(Y)$
- D) $C = C(Q)$

Answer: <https://biology-forums.com/index.php?topic=859606>

Question 526

In general, advertising does all of the following, but it does not:

- A) increase search cost
- B) inform us of the availability of products
- C) inform us of the features of the products
- D) inform us of the uses of products

Answer: <https://biology-forums.com/index.php?topic=860629>

Question 527

The great advantage of distributing income equally to all is that it provides a great incentive for increased productivity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860286>

Question 528

Which of the following is a benefit of learning a mathematical approach to studying economics?

- A) It provides another analytical tool
- B) It paves the way for the use of more advanced mathematics in economics
- C) It gives a bit of the flavour of the mathematical approach to economic analysis
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858959>

Question 529

In Canada:

- A) the formation of monopolies is strongly encouraged by the government as a general policy

- B) monopolies are legal
- C) monopolies are illegal
- D) all monopolies are owned by the government

Answer: <https://biology-forums.com/index.php?topic=859858>

Question 530

The graphs used in economics:

- A) are all linear and downward sloping
- B) never show intersecting curves
- C) show curves with different shapes
- D) show only concave and convex curves

Answer: <https://biology-forums.com/index.php?topic=858632>

Question 531

Conciliation differs from arbitration in that:

- A) the conciliator's decision is binding on both parties, but the arbitrator's decision is not
- B) the arbitrator's decision is binding on both parties, but the conciliator's decision is not
- C) the conciliator's decision is binding only on the union, while the arbitrator's decision is binding only on the employer
- D) conciliation is always mandatory but arbitration is always voluntary

Answer: <https://biology-forums.com/index.php?topic=860122>

Question 532

The coefficient of elasticity of demand is the value used to determine:

- A) the elasticity of products
- B) the degree of price variability for goods with inelastic demand
- C) the degree of elasticity of demand for a product
- D) the degree of price variability for goods with elastic demand

Answer: <https://biology-forums.com/index.php?topic=859014>

Question 533

The average variable cost curve is the only cost curve that declines continuously.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859701>

Question 534

Choice is a direct result of:

- A) luxury
- B) scarcity
- C) abundance
- D) freedom

Answer: <https://biology-forums.com/index.php?topic=858469>

Question 535

In a constant-cost industry, costs remain constant as the industry expands by the entry of new firms.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859844>

Question 536

Which of the following is true of monopoly?

- A) It reduces consumer surplus
- B) It increases producer surplus
- C) It creates a deadweight loss
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859903>

Question 537

Because information is so plentiful, it cannot be considered an economic good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860666>

Question 538

Although economic growth contributes to pollution, it is essential if we are to meet the challenges that face our economies and our societies. True or False?

Answer: <https://biology-forums.com/index.php?topic=860563>

Question 539

Which of the following is a typical example of a fixed factor?

- A) Land
- B) Buildings
- C) Heavy machinery and equipment
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859505>

Question 540

A characteristic feature of monopolistic competition is product differentiation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860044>

Question 541

Direct outlays for inputs not already owned by the firm are called implicit costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859674>

Question 542

In which of the following enterprises is monopolistic competition prevalent?

- A) Gasoline stations
- B) Bakeries
- C) Automotive garages
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859977>

Question 543

Ken owns an apartment building. The money that he collects from his tenants is technically classified as:

- A) rent
- B) interest and dividends
- C) wages and salaries
- D) profits

Answer: <https://biology-forums.com/index.php?topic=858494>

Question 544

Total utility is:

- A) the total amount of goods and services produced
- B) the total amount of goods and services consumed
- C) the extra satisfaction derived from consuming one more unit of a good or service
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859251>

Question 545

The marginal revenue curve of a monopolistic competitor is:

- A) a horizontal straight line
- B) identical to its average revenue curve
- C) downward sloping, but less steep than its average revenue curve
- D) downward sloping, but steeper than its average revenue curve

Answer: <https://biology-forums.com/index.php?topic=859987>

Question 546

Which of the following is true of communism?

- A) It is an extreme form of socialism

- B) Practically all businesses are owned and operated by the government
C) Countries such as North Korea, Vietnam, Cuba, and China have a communist economic system
D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860731>

Question 547

When MP is at its maximum, MC is at its minimum.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859713>

Question 548

Total utility is:

- A) the total amount of goods and services available for consumption
B) the total amount paid each month for electricity and telephone and water
C) the total satisfaction derived from consuming goods and services
D) the amount spent by the government to subsidize utility companies

Answer: <https://biology-forums.com/index.php?topic=859252>

Question 549

Elementary mathematics has no place in a subject as complex as economics.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858988>

Question 550

The cap-and-trade system does result in a reduction in pollution.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860583>

Question 551

If the coefficient of elasticity of demand is infinitely large, demand is:

- A) perfectly inelastic
B) perfectly elastic
C) unitary elastic
D) highly elastic but not perfectly so

Answer: <https://biology-forums.com/index.php?topic=859025>

Question 552

If the price of a product falls, the supply will fall.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858930>

Question 553

Hypotheses are statements about the conditions under which a model operates.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858564>

Question 554

An increase or a decrease in actual production shifts the current production possibility curve.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858805>

Question 555

MB = marginal benefit and MC = marginal cost. The optimal search occurs when:

- A) $MB > MC$
B) $MB < MC$
C) $MB = MC$
D) MC begins to fall

Answer: <https://biology-forums.com/index.php?topic=860613>

Question 556

Advertising may lead to economies of scale and lower unit cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860067>

Question 557

Production is the process of converting inputs into outputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859544>

Question 558

An increase in supply occurs when the supply curve shifts upward to the left.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858940>

Question 559

The break-even point is the point at which total revenue equals total cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859817>

Question 560

An indifference map is a guide to enable the consumer to find the highest intersecting indifference curves.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859453>

Question 561

Canada's most important export item is:

- A) wheat
- B) newsprint paper
- C) lumber
- D) machinery and equipment

Answer: <https://biology-forums.com/index.php?topic=860402>

Question 562

The LRAC curve is sometimes called the envelope curve because the LRAC curve forms a rectangular shape around the SRAC curves.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859716>

Question 563

Refer to the Demand schedule for Good X. What type of good is represented in this demand schedule?

- A) An inferior good
- B) A normal good
- C) A Giffen good
- D) An irrational good

Answer: <https://biology-forums.com/index.php?topic=859422>

Question 564

The market demand curve is more elastic than any of the individual demand curves.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859354>

Question 565

A monopolist can always increase its profits by:

- A) raising its price
- B) producing and selling a greater output
- C) either A or B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=859875>

Question 566

Marginal utility gets larger and larger as the consumer increases his or her consumption of a good or service.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859320>

Question 567

The real income effect is the effect on quantity demanded caused by the change in purchasing power resulting from a change in price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858905>

Question 568

Refer to Table 6A.1. The table is referred to as:

- A) an apple and plum schedule
- B) a purchase possibility schedule
- C) an indifference schedule
- D) a satisfaction table

Answer: <https://biology-forums.com/index.php?topic=859372>

Question 569

Asymmetric information often leads to improved market performance and increases in efficiency.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860703>

Question 570

Explicit costs are:

- A) direct payments for inputs
- B) those that are incurred but not entered on the company's books
- C) indirect payments for inputs which the firm already owns
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859612>

Question 571

Because of the low prices of goods from China, that country has become Canada's largest trading partner.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860456>

Question 572

Refer to Figure 13.1. The letter A represents:

- A) perfect equality in the distribution of income
- B) perfect inequality in the distribution of income
- C) the Lorenz curve
- D) the perfectly elastic distribution reference line

Answer: <https://biology-forums.com/index.php?topic=860228>

Question 573

The larger the Gini coefficient, the less the inequality in the distribution of income.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860301>

Question 574

Distribution according to contributions provides incentives for greater productivity.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860282>

Question 575

A monopolistic firm can influence the price of its product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859921>

Question 576

A production quota:

- A) reduces both consumer surplus and producer surplus
- B) reduces consumer surplus and increases producer surplus
- C) increases both consumer surplus and producer surplus
- D) has no effect on either consumer or producer surplus

Answer: <https://biology-forums.com/index.php?topic=859173>

Question 577

In the case of rent control, all of the deadweight loss is borne by the tenants.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859222>

Question 578

The fundamental microeconomic questions can be expressed as what to produce, how to produce, and for whom to produce.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858807>

Question 579

If you derive 25 utils from the first orange and a total of 36 after you eat the second orange, then the marginal utility of the second orange is 11 utils.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859317>

Question 580

Because of its significant market power, the monopolist can control both price and output simultaneously.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859928>

Question 581

The government may intervene in the market system:

- A) because the market mechanism will sometimes result in outcomes which people feel are unfair and unacceptable
- B) to ensure that it is always in control of all markets
- C) to ensure that consumers and producers always obey market signals
- D) to guarantee a minimum profit for all producers and a minimum price for all consumers

Answer: <https://biology-forums.com/index.php?topic=859133>

Question 582

If a firm in pure competition is maximizing profit, we know that:

- A) $MR = MC$
- B) $P = MC$
- C) $P = MR$
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859756>

Question 583

If average variable cost is rising, then marginal cost must be below average variable cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859702>

Question 584

The descriptive or empirical aspect of science involves observation and measurement.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858563>

Question 585

Refer to Figure 6A.3. As the consumer moves from A to C:

- A) total utility increases
- B) total utility decreases
- C) the price of food rises
- D) the consumer's income rises

Answer: <https://biology-forums.com/index.php?topic=859395>

Question 586

Profits serve as a signal for resource allocation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860213>

Question 587

Low economic growth is not a very likely cause of poverty.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860328>

Question 588

The marginal revenue curve of a firm in monopolistic competition is:

- A) below its average revenue curve
- B) above its average revenue curve
- C) identical to its demand curve
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859985>

Question 589

Monica is likely to spend far more time searching for a non-stick frying pan than she is for a new digital SLR camera.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860682>

Question 590

Which of the following is true?

- A) Advertisements of search goods are likely to have high information content
- B) Advertisements of search goods are likely to have high persuasive content
- C) It is unlikely that search goods will be advertised
- D) It is unlikely that experience goods will be advertised

Answer: <https://biology-forums.com/index.php?topic=860639>

Question 591

The consumer's income and the prices of the items that the consumer buys impose constraints on his or her behaviour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859435>

Question 592

As the price of an item falls, other things being equal, more people will be drawn into the market so a greater quantity is demanded. This is referred to as:

- A) the fall in price effect
- B) the income effect
- C) the market-size effect
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858837>

Question 593

The costs incurred in searching for information about a product are known as:

- A) informational costs
- B) implicit costs
- C) search costs
- D) product costs

Answer: <https://biology-forums.com/index.php?topic=860602>

Question 594

Supporters of the contribution criterion of equity claim that income should be distributed:

- A) equally to all, regardless of the contribution factor
- B) according to established needs
- C) according to productivity
- D) according to social status

Answer: <https://biology-forums.com/index.php?topic=860218>

Question 595

Rent control is a classic example of a price ceiling.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859210>

Question 596

Divergencies between private costs and social costs are called divergent costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860548>

Question 597

If the seller of certain consumer electronics wishes to send a signal to customers that their products are of superior quality they might:

- A) offer warranties
- B) prohibit exchange or refund
- C) lower the price
- D) prevent the use of "demo" products or floor models

Answer: <https://biology-forums.com/index.php?topic=860656>

Question 598

Which of the following are important macroeconomic issues?

- A) The level and growth of aggregate output
- B) Unemployment
- C) Inflation
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858751>

Question 599

The income distribution issue among the fundamental economic questions is captured by:

- A) What to produce?
- B) How to produce?
- C) For whom to produce?
- D) Who should be employed in production?

Answer: <https://biology-forums.com/index.php?topic=858747>

Question 600

A linear supply curve through the origin has a price elasticity coefficient of supply equal to 1.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859122>

Question 601

The excess capacity theorem states that in long-run equilibrium, a firm in monopolistic competition will produce an output less than that which will minimize average cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860061>

Question 602

The slope of a non-linear curve at a particular point is the slope of the straight line drawn tangent to the curve at that particular point.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858686>

Question 603

Which of the following is correct with reference to search?

- A) If $MB > MC$, then the search should continue
- B) If $MB < MC$, search time should be reduced
- C) The optimal search occurs at the point where $MB = MC$
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860614>

Question 604

An income consumption curve is the line joining the points of tangency between budget lines and indifference curves for a constant level of consumer income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859465>

Question 605

If A and B are substitutes, a fall in the price of A, other things being equal, will cause the demand curve for B to:

- A) shift upward to the right
- B) shift downward to the left
- C) slope upward from left to right
- D) be convex

Answer: <https://biology-forums.com/index.php?topic=858844>

Question 606

The consumer price index (CPI), a tool commonly used to measure inflation, was 107.1 in 2009 and 108.3 in 2010. What was the rate of inflation over that period?

- A) -1.1%
- B) 1.0
- C) 12.9%
- D) 1.1%

Answer: <https://biology-forums.com/index.php?topic=858646>

Question 607

If demand is perfectly inelastic:

- A) E_d equals infinity
- B) E_d is less than 1 but greater than 0
- C) E_d is equal to 1
- D) E_d is equal to 0

Answer: <https://biology-forums.com/index.php?topic=859024>

Question 608

If x is the original quantity and x_1 is the new quantity, the formula for calculating percentage change is:

- A) $100(x - x_1)$
- B) $100(x_1 - x)$
- C) $100(x_1 - x)/x$
- D) $100(x - x_1)/x_1$

Answer: <https://biology-forums.com/index.php?topic=858644>

Question 609

There is no equivalent concept to consumer surplus on the producer's side.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859201>

Question 610

A firm in pure competition will earn zero economic profits in the long run.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859841>

Question 611

In the market period, the supply curve is vertical.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859121>

Question 612

An economic system describes:

- A) the mechanisms through which the central bank and fiscal agent co-ordinate stabilization policy
- B) the system of political and religious beliefs which effect the socialization of a country's citizens
- C) the system of institutions which govern the financial sector in any economy
- D) the mechanisms through which a society produces and allocates goods and services to satisfy human wants

Answer: <https://biology-forums.com/index.php?topic=860723>

Question 613

By adding the marginal utilities derived from successive units of a good, we obtain:

- A) more than the total utility derived from all units
- B) less than the total utility derived from all units
- C) exactly the total utility derived from all units
- D) the total utility derived from the last unit

Answer: <https://biology-forums.com/index.php?topic=859270>

Question 614

Which of the following is a cost-minimizing condition?

- A) $MPK/MPL = PL/PK$
- B) $MPK/MPL = PK/PL$
- C) $MPK/PK = PL/MPL$
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=859541>

Question 615

The value of the marginal physical product is the same as the marginal revenue product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860161>

Question 616

The effects of minimum wage legislation include:

- A) possible unemployment
- B) a loss of employers' surplus
- C) a loss of employees' surplus
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859164>

Question 617

An economic good is:

- A) one that is available in large quantities
- B) something that is abundant and does not have a price
- C) something (tangible or intangible) that is scarce and satisfies people's wants
- D) just another name for a public good

Answer: <https://biology-forums.com/index.php?topic=860594>

Question 618

The demand curve for the firm in oligopoly is upward sloping.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860080>

Question 619

The development of technology and the internet has allowed students to earn their degrees in the online environment. How has this technology effected the market for university or college level courses?

- A) Increased demand
- B) Increased Supply

- C) Decreased demand
- D) Decreased supply

Answer: <https://biology-forums.com/index.php?topic=858865>

Question 620

Production possibility curves will be concave if:

- A) all resources are perfect substitutes
- B) constant opportunity cost exists everywhere
- C) there is no opportunity cost
- D) there are increasing opportunity costs

Answer: <https://biology-forums.com/index.php?topic=858720>

Question 621

The very existence of poverty is itself a cause of poverty.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860335>

Question 622

If the quantity demanded is not very responsive to changes in price, then demand is said to be:

- A) inelastic
- B) elastic
- C) uncooperative
- D) substitutable

Answer: <https://biology-forums.com/index.php?topic=859030>

Question 623

Distributing income equally to all would likely result in:

- A) no effective change in income distribution
- B) a greater divergence between the wealthy and the poor
- C) an undesirable decline in income and output
- D) higher levels of unemployment and inflation

Answer: <https://biology-forums.com/index.php?topic=860222>

Question 624

The firm will continue to incur fixed costs even during a temporary work stoppage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859684>

Question 625

Refer to Table 7.2. At current input prices:

- A) method A is economically most efficient
- B) method B is economically most efficient
- C) method C is economically most efficient
- D) methods A and C are equally economically efficient because they use the same quantity of inputs

Answer: <https://biology-forums.com/index.php?topic=859496>

Question 626

A point below the production possibility curve represents:

- A) increasing resource cost
- B) unemployed resources
- C) the point beyond which production is impossible
- D) efficiency in the use of resources

Answer: <https://biology-forums.com/index.php?topic=858725>

Question 627

If average household income rises from \$40 000 to \$48 000 in three years, the percentage increase in average income during the period is 20%.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858689>

Question 628

Economic efficiency is efficiency measured in terms of cost.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859557>

Question 629

Which of the following is not a characteristic of a purely competitive market?

- A) A large number of firms
- B) Homogeneous products
- C) Each firm sets its own price
- D) Freedom of entry and exit

Answer: <https://biology-forums.com/index.php?topic=859730>

Question 630

The average total cost curve and the average variable cost curve:

- A) get closer together as output rises
- B) get further apart as output rises
- C) remain parallel as output rises
- D) intersect when average total cost is at its minimum

Answer: <https://biology-forums.com/index.php?topic=859648>

Question 631

A production possibility curve shows the maximum possible quantities of goods that can be produced with given resources and given technology.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858784>

Question 632

The lump-sum tax on profit does not affect the price-output decision of the monopolist. The only effect of the tax is that it reduces the monopolist's profit by the amount of the tax.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859971>

Question 633

If the supply curve is perfectly vertical which of the following is true of the elasticity of supply?

- A) Supply is highly elastic
- B) Supply is inelastic but not zero
- C) Supply is perfectly elastic
- D) Supply is perfectly inelastic

Answer: <https://biology-forums.com/index.php?topic=859079>

Question 634

The production function specifies the minimum amount of inputs required to produce a given level of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859576>

Question 635

Which of the following are issues in the international economy?

- A) The effects of globalization on the Canadian economy
- B) The formation of trading blocks around the world
- C) The effects of the world price of crude oil on the Canadian economy
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858753>

Question 636

Private costs are:

- A) payments made in secret
- B) costs that are hidden from shareholders and the general public
- C) costs borne solely and directly by the individuals or firms making the decision

D) borne by individuals but not by firms

Answer: <https://biology-forums.com/index.php?topic=860483>

Question 637

When a firm is operating under "constant returns to scale":

- A) its LRAC is falling
- B) its LRAC is at a minimum
- C) its LRAC is rising
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859664>

Question 638

The principle of comparative advantage states that if each country has a comparative advantage in the production of a commodity, both countries will benefit if each specializes in the production of the commodity in which it has a comparative advantage, and then trades with the other. True or False?

Answer: <https://biology-forums.com/index.php?topic=860434>

Question 639

Consumer sovereignty is:

- A) the idea that producers, through their production decisions, determine what goods and services are produced and in what quantities
- B) the idea that consumers, through their buying behaviour in the marketplace, determine what goods and services are produced and in what quantities
- C) the idea that consumers determine what goods and services are produced, and that producers determine prices and quantities
- D) the set of laws and regulations which provide consumers with protection from predatory pricing practices of certain businesses

Answer: <https://biology-forums.com/index.php?topic=860738>

Question 640

The Kyoto Protocol is a treaty signed by about 180 countries at Kyoto, Japan, to reduce greenhouse gas emissions.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860587>

Question 641

According to the law of demand, there is a direct relationship between income and quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858901>

Question 642

Average total cost is:

- A) the cost of the last unit produced
- B) total cost divided by the quantity of output
- C) the cost incurred by increasing output by one unit
- D) the reciprocal of marginal cost divided by the quantity of output

Answer: <https://biology-forums.com/index.php?topic=859632>

Question 643

A production possibility diagram can be used to show:

- A) opportunity cost
- B) economic growth
- C) resource utilization
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858735>

Question 644

Which of the following is false with regard to price ceilings?

- A) The producer must charge the price established as the price ceiling
- B) If the ceiling price is set above the equilibrium price, the intervention will have no effect
- C) If the ceiling price is set below the equilibrium price, then the price must be reduced
- D) If the ceiling price is set below the equilibrium price, then a shortage will develop

Answer: <https://biology-forums.com/index.php?topic=859157>

Question 645

If a purely competitive firm is producing an output at which marginal revenue exceeds marginal cost, it can increase its profits by:

- A) increasing its output
- B) decreasing its output
- C) increasing its price
- D) decreasing its price

Answer: <https://biology-forums.com/index.php?topic=859751>

Question 646

Economics is an exact science because economists use mathematical models.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858549>

Question 647

If there was no difference in opportunity costs between two countries:

- A) the theory of comparative advantage would take effect
- B) trading nations would still benefit from comparative advantage
- C) neither would have a comparative advantage
- D) the principle of absolute advantage should be considered

Answer: <https://biology-forums.com/index.php?topic=860379>

Question 648

The objective of the consumer is to:

- A) spend as much money as possible to get as much as possible
- B) consume as much as possible
- C) maximize his or her satisfaction subject to a budget constraint
- D) minimize the amount of money spent out of a given budget

Answer: <https://biology-forums.com/index.php?topic=859273>

Question 649

If Pauline is a consumer who is maximizing her satisfaction and therefore has no desire to rearrange her purchases, we can then say that she is in equilibrium.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859335>

Question 650

Using HD to denote hot drinks and T to denote temperature, we can express the idea that the amount of hot drinks that people drink depends on the temperature by the notation $HD = HD(T)$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858655>

Question 651

The law of diminishing returns applies to both the short run and the long run.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859597>

Question 652

Ontario Hydro competes in a market characterized by monopolistic competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859810>

Question 653

A consumption possibility schedule is a table that shows various combinations of goods or services that the consumer can buy for the same amount of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859426>

Question 654

On a Lorenz curve graph, if 10% of families receive 10% of the income, 25% receive 25% of the income, 50% receive 50% of the income, and so on, then the Lorenz curve will coincide with the diagonal line.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860293>

Question 655

If price exceeds average total cost in a monopolistically competitive industry:

- A) new firms will enter the industry, and the industry supply curve will shift to the right
- B) new firms will enter the industry, and the industry supply curve will shift to the left
- C) firms will leave the industry, and the firm supply curve will shift to the right
- D) firms will leave the industry, and the firm supply curve will shift to the left

Answer: <https://biology-forums.com/index.php?topic=859992>

Question 656

According to the Rand Formula:

- A) workers who are not members of a union do not have to pay union dues
- B) unionized workers must pay higher union dues than non-unionized workers
- C) union shops must exist in all unionized industries
- D) workers in a unionized establishment must pay union dues even if they are not union members

Answer: <https://biology-forums.com/index.php?topic=860118>

Question 657

Which of the following gives the greatest security to a union?

- A) A lockout
- B) An open shop
- C) A closed shop
- D) A union shop

Answer: <https://biology-forums.com/index.php?topic=860117>

Question 658

Which of the following arguments is used to support the use of tariffs?

- A) The infant industry argument
- B) The employment argument
- C) The terms of trade argument
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860420>

Question 659

What do economists actually do?

- A) statistics and mathematics related tasks
- B) social planning activities
- C) banking and personal finance
- D) economists add value to an organization in a variety of contexts

Answer: <https://biology-forums.com/index.php?topic=858458>

Question 660

Which of the following would not be considered a firm?

- A) A used car dealer
- B) A hardware retailer
- C) A group of people who meet weekly to play games
- D) A group of people who import merchandise weekly for resale

Answer: <https://biology-forums.com/index.php?topic=859475>

Question 661

Which of the following is not a likely cause of poverty?

- A) International trade
- B) Low productivity

- C) Discrimination
- D) Low economic growth

Answer: <https://biology-forums.com/index.php?topic=860254>

Question 662

Which of the following is true?

- A) The greater the price of an item, the less time will be spent in search
- B) The greater the price of an item, the more time will be spent in search
- C) Price does not affect search time
- D) The relationship between price and search time is inverse

Answer: <https://biology-forums.com/index.php?topic=860620>

Question 663

Education, training, and skill, which improve the quality of labour, are referred to as:

- A) human development
- B) productivity
- C) knowledge
- D) human capital

Answer: <https://biology-forums.com/index.php?topic=858493>

Question 664

An increase in effluent fees, other things being equal, will result in a higher level of pollution.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860576>

Question 665

Other things being equal, if demand increases, the equilibrium price will fall and quantity traded in the market will rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858950>

Question 666

Which of the following is not real capital, according to economists?

- A) Money in a bank account
- B) An airport
- C) A computer in an office
- D) The furniture in a school

Answer: <https://biology-forums.com/index.php?topic=858490>

Question 667

A country has an absolute advantage in the production of a good if it can produce it more cheaply than another country can.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860428>

Question 668

Average revenue is identical to:

- A) price
- B) total revenue divided by quantity sold
- C) marginal revenue for a firm in pure competition
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859755>

Question 669

Graphs are important in the study of economics because:

- A) they allow us to show relations among many variables much more easily than do equations
- B) everybody understands graphs
- C) they help us to see relationships among variables vividly
- D) graphs are the only way to demonstrate an inverse relationship between two variables

Answer: <https://biology-forums.com/index.php?topic=858622>

Question 670

The marginal cost curve passes through the minimum point of the average fixed cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859707>

Question 671

Two countries can gain by trading if each specializes in the production of the commodity in which it has an absolute advantage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860431>

Question 672

A country is said to have an absolute advantage over another country in the production of a commodity if it has the ability to produce the commodity with fewer resources than the other country can.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860427>

Question 673

A simultaneous increase in demand and supply will necessarily leave the price unchanged.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858955>

Question 674

Economics is concerned with the fact that:

- A) people are never satisfied with what they have
- B) resources are plentiful, but the members of society are wasteful
- C) resources are limited, while human wants and desires are unlimited
- D) wants and resources are both limited

Answer: <https://biology-forums.com/index.php?topic=858475>

Question 675

Cost-plus pricing:

- A) is a sure way of maximizing profits
- B) is very complicated and difficult to understand
- C) is practical only if the firm knows how much it can sell at various prices
- D) can only be effective for a monopolist

Answer: <https://biology-forums.com/index.php?topic=860029>

Question 676

Price elasticity of demand is measured by:

- A) the change in price divided by the change in quantity
- B) the change in quantity demanded divided by the change in price
- C) the percentage change in quantity demanded divided by the percentage change in price
- D) the percentage change in price divided by the percentage change in quantity demanded

Answer: <https://biology-forums.com/index.php?topic=859013>

Question 677

Which of the following HHI numbers suggests an unconcentrated industry?

- A) 750
- B) 1250
- C) 3500
- D) 3800

Answer: <https://biology-forums.com/index.php?topic=860018>

Question 678

The sole function of profits is to reward enterprise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860214>

Question 679

In pure monopoly, the concentration ratio is 100%.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860075>

Question 680

Rent control is likely to result in:

- A) black markets
- B) reduced consumer and producer surplus
- C) resource loss
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859158>

Question 681

In a purely competitive labour market, the firm will hire labour up to the point where the marginal revenue product of labour exceeds the wage rate.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860162>

Question 682

Variable factors are inputs that the firm can change during a given period.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859566>

Question 683

If the last dollar spent on capital causes output to increase by a lesser amount than the increase in output resulting from an extra dollar spent on labour, then the firm would benefit by purchasing more labour and less capital.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859601>

Question 684

The Kyoto Protocol is:

- A) a trade agreement between Canada and Japan
- B) an agreement between certain countries to meet in Japan to discuss world economic development
- C) a treaty signed by several countries to reduce their greenhouse gas emissions
- D) a treaty signed by several countries to implement the cap-and-trade system worldwide

Answer: <https://biology-forums.com/index.php?topic=860536>

Question 685

The average total cost curve and the average variable cost curve eventually intersect.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859700>

Question 686

An excise tax and a tax on the monopolist's profit have exactly the same effect on the behaviour of the monopolist.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859968>

Question 687

If all markets are purely competitive, Pareto optimality will be realized.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859852>

Question 688

A direct relationship between two variables can be shown on a graph by:

- A) an upward sloping curve
- B) a downward sloping curve
- C) a vertical line

D) a horizontal line

Answer: <https://biology-forums.com/index.php?topic=858626>

Question 689

An industry is a group of firms that produce similar products.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859796>

Question 690

A curve showing that two variables are directly related will have a positive slope.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858685>

Question 691

The market demand curve cannot be derived from the demand curves of the individual consumers in the market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859353>

Question 692

The production possibility curve can be used to illustrate scarcity, choice, and opportunity cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858794>

Question 693

A curve that slopes upward from left to right means that:

- A) one of the variables concerned is dependent, while the other is independent
- B) one of the variables is endogenous, while the other is exogenous
- C) both variables move up or down together
- D) both variables move in opposite directions

Answer: <https://biology-forums.com/index.php?topic=858625>

Question 694

Samantha lives near Blue Mountain, where she owns a ski cabin, her own car, and a small retail business selling ski apparel near the mountain.

Samantha is able to have ownership of these items because of:

- A) freedom of choice
- B) private property
- C) market co-operation
- D) guarantee of competition

Answer: <https://biology-forums.com/index.php?topic=860726>

Question 695

Transfer earnings refer to:

- A) the amount transferred from one group of tax-payers to another
- B) the amount of earnings transferred from the federal government to the provincial governments
- C) the amount of income transferred from the richer provinces to the poorer ones
- D) the term used to describe the amount that a factor of production can earn in the next-best employment alternative

Answer: <https://biology-forums.com/index.php?topic=860140>

Question 696

An important feature of oligopolistic industries is the interdependence of the firms in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860070>

Question 697

Economic costs are:

- A) accounting costs
- B) opportunity costs
- C) imputed costs + implicit costs
- D) accounting costs + implicit costs

Answer: <https://biology-forums.com/index.php?topic=859615>

Question 698

The practice where Bell charges commercial users of its telephone service one price and residential users a different price is called:

- A) preferential pricing
- B) price discrimination
- C) two-tiered pricing
- D) client differential advantage

Answer: <https://biology-forums.com/index.php?topic=859911>

Question 699

The circular flow deals only with real flows.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858815>

Question 700

The statement that says "regular absence from an 8 a.m. economics class will have a negative effect on students' grades" is an example of a positive statement.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858585>

Question 701

A mining company owns a coal mine. It hires miners to mine the coal with shovels, load it on a truck and take it to the coal market where it is sold. In this scenario:

- A) the mine, the shovels and the truck are all capital because they cost money
- B) the owner of the company makes all the important decisions and is a good example of labour services
- C) the mine and the coal in it are land, and the shovels are capital
- D) the mine is land, the coal in it is capital because it can be sold for money, and the miners are labour

Answer: <https://biology-forums.com/index.php?topic=858491>

Question 702

In the market period, supply is:

- A) inelastic
- B) elastic
- C) perfectly elastic
- D) unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859082>

Question 703

The equilibrium price is that price which equates quantity demanded and quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858943>

Question 704

An excise tax is:

- A) a tax on the sale of a specific commodity
- B) another name for an income tax
- C) unable to raise revenue for the government
- D) intended to increase consumption of the taxed commodity

Answer: <https://biology-forums.com/index.php?topic=859175>

Question 705

Variable costs:

- A) are costs that vary with the volume of output
- B) are incurred even if the firm produces nothing
- C) are variations in production costs resulting from changes in resource costs
- D) are independent of production levels

Answer: <https://biology-forums.com/index.php?topic=859623>

Question 706

A line that slopes downward from left to right has:

- A) an increasing slope
- B) a positive slope
- C) a decreasing slope
- D) a negative slope

Answer: <https://biology-forums.com/index.php?topic=858635>

Question 707

In an increasing-cost industry:

- A) costs remain constant as the industry expands
- B) costs increase as the industry expands
- C) output always increases at an increasing rate
- D) opportunity costs decrease as the industry expands

Answer: <https://biology-forums.com/index.php?topic=859790>

Question 708

In the indifference curve analysis:

- A) consumers must be able to assign cardinal numbers to the amount of satisfaction they derive from their consumption
- B) there is no need for consumers to be rational in any way
- C) the constraint under which consumers exercise choice is not explicit
- D) consumers' problem of choice is explicitly stated.

Answer: <https://biology-forums.com/index.php?topic=859355>

Question 709

All economies have to decide what to produce but not for whom to produce.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858808>

Question 710

A capitalist system emphasizes private property but can fail to provide adequate safeguards against the misuse and abuse of the environment.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860744>

Question 711

An economic externality that results in a benefit is called a positive externality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860550>

Question 712

Refer to Figure 2.1 above. Point D represents output levels that are:

- A) inefficient
- B) desirable, but unattainable
- C) desirable, but inefficient
- D) associated with high levels of unemployment

Answer: <https://biology-forums.com/index.php?topic=858727>

Question 713

If a purely competitive industry is in long-run equilibrium:

- A) each firm in the industry is earning zero economic profits
- B) each firm in the industry is earning positive economic profits
- C) new firms will enter the industry in order to achieve equilibrium also
- D) new entrants will erode positive profits and the industry will eventually shrink

Answer: <https://biology-forums.com/index.php?topic=859784>

Question 714

By encouraging people to purchase union-made products, a union hopes to:

- A) shift the labour demand curve to the left

- B) shift the labour demand curve to the right
- C) shift the labour supply curve to the left
- D) shift the labour supply curve to the right

Answer: <https://biology-forums.com/index.php?topic=860134>

Question 715

The law of diminishing returns applies to the long run, but not to the short run.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859596>

Question 716

Percentage change is important because:

- A) it facilitates comparison of the magnitude of changes
- B) all changes are expressed in percentage terms
- C) in economics, the only changes that are significant are those expressed in percentage terms
- D) everyone understands that rates of change are expressed in fractional terms

Answer: <https://biology-forums.com/index.php?topic=858643>

Question 717

The marginal productivity theory of wages states that:

- A) the wage rate will always exceed the value of the marginal physical product of labour
- B) the wage rate will be less than the value of the marginal physical product of labour
- C) the wage rate will be equal to the marginal revenue product of labour
- D) the wage rate will be equal to the marginal physical product of labour

Answer: <https://biology-forums.com/index.php?topic=860104>

Question 718

Which of the following statements is correct?

- A) Opportunity cost is always expressed in monetary terms
- B) For any economy, opportunity cost is always constant
- C) Opportunity cost is always positive
- D) Every act of choosing involves an opportunity cost

Answer: <https://biology-forums.com/index.php?topic=858705>

Question 719

By requiring the insured to pay higher premiums as more claims are made, the insurance company is trying to:

- A) increase adverse selection
- B) reduce moral hazard
- C) discourage the population from buying insurance policies
- D) use market signalling

Answer: <https://biology-forums.com/index.php?topic=860653>

Question 720

The Lorenz curve is a graphical tool for measuring income inequality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860290>

Question 721

Items used in the production process of goods and services are called:

- A) resources
- B) commodities
- C) amenities
- D) outputs

Answer: <https://biology-forums.com/index.php?topic=858477>

Question 722

Pure competition is a market structure in which firms try to outdo one another by advertising, price wars, etc.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859803>

Question 723

A firm will earn a profit as long as:

- A) its price is above its average total cost
- B) its total revenue is greater than its total cost
- C) its average revenue exceeds its average total cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859758>

Question 724

Refer to Figure 9.2. The firm can increase its profits (or reduce its losses) by:

- A) increasing its output
- B) reducing its output
- C) increasing its price
- D) reducing its price

Answer: <https://biology-forums.com/index.php?topic=859770>

Question 725

Which of the following will not cause the demand curve to shift?

- A) A change in income
- B) A change in the price of a substitute
- C) A change in the price of a complement
- D) A change in the price of the product

Answer: <https://biology-forums.com/index.php?topic=858848>

Question 726

The OAS program is funded by the federal government; however, one of the main criticisms is that the benefits are not indexed to the cost of living. True or False?

Answer: <https://biology-forums.com/index.php?topic=860342>

Question 727

A Giffen good is one whose quantity demanded rises as its price rises and falls as its price falls.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859469>

Question 728

The decision of the arbitrator is binding upon the parties in a dispute.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860180>

Question 729

The point formula for the price elasticity of demand is:

- A) change in quantity over quantity times change in price over price
- B) change in quantity over quantity divided by change in price over price
- C) change in price over price divided by change in quantity over quantity
- D) change in price over price divided by quantity over change in quantity

Answer: <https://biology-forums.com/index.php?topic=859017>

Question 730

A production quota is:

- A) the amount of a product that firms produce in order maximize their profits
- B) the amount of a product that sellers believe they can sell at a specific price during a period of time
- C) the maximum quantity of an item that producers can legally produce
- D) the minimum quantity of production that is consistent with cost minimization

Answer: <https://biology-forums.com/index.php?topic=859169>

Question 731

A model is not necessary in order to determine whether a variable is endogenous or exogenous.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858595>

Question 732

The consumption of a free good will cease when:

- A) its marginal utility begins to fall
- B) its marginal utility is negative
- C) its marginal utility is zero
- D) its total utility is zero

Answer: <https://biology-forums.com/index.php?topic=859279>

Question 733

The definition of monopoly and the product that is monopolized are inseparable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859919>

Question 734

The tax alters the monopolist's behaviour in that it causes the monopolist to produce a greater quantity and to charge a lower price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859970>

Question 735

Limit pricing is:

- A) a pricing technique used to encourage firms to enter an industry
- B) a price control mechanism designed to protect consumers from firms that are likely to charge excessively high prices
- C) a pricing technique used by existing firms in an industry to discourage new firms from entering the industry
- D) a production strategy which limits output to increase price

Answer: <https://biology-forums.com/index.php?topic=860026>

Question 736

Fixed costs and explicit costs are identical.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859681>

Question 737

The Chief Executive Officer (CEO) of a corporation is hired by the board. The objective of the corporation is to maximize profits; but the hidden agenda of the CEO is to maximize market share. The problem that results from this situation is:

- A) the principal-agent problem
- B) the moral hazard problem
- C) the adverse selection problem
- D) the lemon problem

Answer: <https://biology-forums.com/index.php?topic=860663>

Question 738

Refer to data above. If the price falls to \$4, then total revenue will:

- A) increase to \$840
- B) increase to \$560
- C) fall to \$280
- D) fall to \$300

Answer: <https://biology-forums.com/index.php?topic=859053>

Question 739

Barriers to entry include:

- A) patents
- B) franchises
- C) ownership of essential inputs
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859862>

Question 740

A purely competitive firm maximizes its profits when it produces an output at which:

- A) total revenue equals total cost
- B) price equals total revenue
- C) the difference between total revenue and total cost is smallest
- D) the difference between total revenue and total cost is greatest

Answer: <https://biology-forums.com/index.php?topic=859741>

Question 741

The Lorenz curve is necessarily a downward-sloping straight line because income is not evenly distributed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860295>

Question 742

Old Age Security (OAS) Pension:

- A) is paid monthly to all Canadian residents
- B) is not subject to tax
- C) is paid to eligible people who have reached the age of 65 years
- D) is paid to individuals who have reached the age of 65 if their employment income in the last five working years fell below the poverty line

Answer: <https://biology-forums.com/index.php?topic=860271>

Question 743

All Engel curves are concave.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859464>

Question 744

The reservation price is the price below which sellers prefer to withdraw their products from the market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859126>

Question 745

The main party in a contractual agreement is called:

- A) the agent
- B) the principal
- C) the principal agent
- D) the contractor

Answer: <https://biology-forums.com/index.php?topic=860658>

Question 746

Given the following supply schedule,

Price Quantity supplied

\$12 60

\$10 50

\$8 40

Which of the following is correct?

- A) at a price of \$12, the supply is 60
- B) the supply is greater at \$10 than at \$8
- C) at a price of \$12, the quantity supplied is 60
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858856>

Question 747

The price system:

- A) is highly efficient and always produces required results
- B) has been effective in eliminating price ceilings
- C) sometimes leads to inefficient outcomes
- D) will always operate to effectively eliminate surpluses

Answer: <https://biology-forums.com/index.php?topic=860473>

Question 748

Refer to Figure 8.1. The average total cost curve is represented by:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859652>

Question 749

Which of the following is a form of economic discrimination?

- A) Employment discrimination
- B) Occupational discrimination
- C) Wage discrimination
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860257>

Question 750

The market mechanism encourages people to economize on the economy's scarce resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859190>

Question 751

If a good is free, a rational consumer will consume units of it until his or her total utility reaches zero.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859332>

Question 752

If the demand curve is linear:

- A) elasticity and slope will be identical
- B) demand is unitary elastic
- C) the price elasticity of demand is constant at each point on the curve
- D) the price elasticity of demand varies along the demand curve

Answer: <https://biology-forums.com/index.php?topic=859042>

Question 753

Rent control can result in:

- A) substantial increases in profits for landlords
- B) substantial increases in consumer benefits
- C) poorly maintained housing units
- D) significant increases in tax revenues

Answer: <https://biology-forums.com/index.php?topic=859159>

Question 754

When production costs fall by producing a set of different goods together rather than separately, economies of scope are said to exist.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859724>

Question 755

The wage transfer mechanism refers to the situation where an employee can discontinue membership in one union and gain employment within another union, and continue to earn the same wage, provided that the new employment is within the same industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860189>

Question 756

When the consumer is maximizing utility:

- A) there is nothing to be gained by switching from one good to another
- B) a switch from one good to another should take place
- C) a switch from one good to another will not affect total utility

D) each good provides exactly the same amount of utility

Answer: <https://biology-forums.com/index.php?topic=859280>

Question 757

The cross-price elasticity of demand measures:

- A) the effect of a change in the price of a good on the quantity of that good demanded
- B) the effect of a change in the price of one good on the quantity demanded of another good
- C) the crossover effect of a change in price on consumers' income
- D) the effect of a change in income on the quantity demanded of a good

Answer: <https://biology-forums.com/index.php?topic=859068>

Question 758

Freedom of choice and the pursuit of self-interest bring chaos to the free enterprise system.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860741>

Question 759

Economists define profit as the difference between:

- A) total revenue and total cost
- B) total revenue and total explicit cost
- C) total revenue and implicit cost
- D) total revenue and opportunity cost

Answer: <https://biology-forums.com/index.php?topic=859740>

Question 760

It is assumed that the consumer's objective is to spend his or her budget in such a way as to derive maximum satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859329>

Question 761

An effluent fee is:

- A) designed to generate revenues for the government
- B) a way of allowing producers to avoid certain costs
- C) a way of forcing producers to internalize certain costs
- D) a method which shifts the burden of environmental protection to the public

Answer: <https://biology-forums.com/index.php?topic=860522>

Question 762

The Engel curve for a normal good is:

- A) downward sloping
- B) horizontal
- C) upward sloping
- D) vertical

Answer: <https://biology-forums.com/index.php?topic=859413>

Question 763

Other things being equal, increased borrowing by firms to finance investment projects will cause interest rates to:

- A) rise and the amount of loanable funds to increase
- B) rise and the amount of loanable funds to fall
- C) fall and the amount of loanable funds to increase
- D) fall and the amount of loanable funds to decrease

Answer: <https://biology-forums.com/index.php?topic=860149>

Question 764

Normative and positive issues are unrelated and have completely different orientations.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858587>

Question 765

Entry into a monopolistically competitive industry is just as easy as entry into a purely competitive industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860047>

Question 766

To maximize profits, the monopolistic firm produces its output at the minimum unit cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859957>

Question 767

The establishment of property rights encourages polluters to:

- A) increase their pollution activities
- B) lower the prices of their products
- C) seek alternative means of disposing of waste
- D) seek alternative production methods

Answer: <https://biology-forums.com/index.php?topic=860527>

Question 768

A demand equation is given as $QD = 28 - 2P$. If demand increases by 3 units at each price, the new demand equation will be $QD = 28 - 5P$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859008>

Question 769

The study of the causes and duration of male unemployment spells is considered a topic in microeconomics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858607>

Question 770

The existence of a market requires at least one seller, at least one buyer, a product, and a price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858886>

Question 771

Market failure is:

- A) a phenomenon that has developed within the past 15 years
- B) a phenomenon of economies with government intervention
- C) the obvious consequence of government intervention
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860474>

Question 772

An import quota is the minimum amount of a commodity that a foreign country is required to supply over a given period of time.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860467>

Question 773

A monopoly is a market structure in which:

- A) a single firm exercises its power over smaller firms
- B) a single firm produces a product with a wide variety of very close substitutes
- C) each firm is run by a small single proprietor
- D) there is only one firm producing a product which has no close substitutes

Answer: <https://biology-forums.com/index.php?topic=859856>

Question 774

The incidence of poverty refers to:

- A) the number of cases of poverty discovered each year
- B) the number of instances where poverty has been eliminated
- C) the number of cases of abuse of programs to assist the poor
- D) the likelihood of being poor

Answer: <https://biology-forums.com/index.php?topic=860250>

Question 775

The incidence of a tax refers to:

- A) how frequently the tax is imposed
- B) how frequently the tax is raised
- C) who bears the burden of the tax
- D) the period of time between income tax rate increases

Answer: <https://biology-forums.com/index.php?topic=859180>

Question 776

One advantage of socialism is:

- A) guarantee of the freedom of choice
- B) low taxes on personal income
- C) ability to maintain full employment
- D) hard work is motivated by self-interest

Answer: <https://biology-forums.com/index.php?topic=860728>

Question 777

On a graph, the point (-4,-4) would appear in the third quadrant.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858670>

Question 778

Cost refers to the payment for the inputs used to produce goods and services.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859670>

Question 779

The term atomistic competition is sometimes used to describe pure or perfect competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859806>

Question 780

Which of the following is an example of an imputed cost?

- A) Depreciation
- B) Wages and salaries
- C) Business taxes
- D) Capital equipment

Answer: <https://biology-forums.com/index.php?topic=859618>

Question 781

An economic model differs from an economic theory in that a model is more complicated than a theory.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858568>

Question 782

An inferior good would have:

- A) a negative income elasticity of demand
- B) a positive income elasticity of demand
- C) income elasticity of demand greater than zero but less than one
- D) price elasticity of demand that is zero

Answer: <https://biology-forums.com/index.php?topic=859077>

Question 783

The upward sloping supply curve illustrates the inverse relationship between price and quantity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858934>

Question 784

A price elasticity of demand coefficient of 1.5 means that a 10% increase in price will cause quantity demanded to fall by 15%. True or False?

Answer: <https://biology-forums.com/index.php?topic=859090>

Question 785

If good X is on the horizontal axis, and good Y is on the vertical axis, other things being equal, a fall in the price of X will:

- A) decrease the slope of the budget line
- B) increase the slope of the budget line
- C) shift the entire budget line outward in a parallel manner
- D) shift the entire budget line inward in a parallel manner

Answer: <https://biology-forums.com/index.php?topic=859359>

Question 786

Costs that do not result in any direct payment to anyone outside the firm are called:

- A) sunk costs
- B) social costs
- C) explicit costs
- D) implicit costs

Answer: <https://biology-forums.com/index.php?topic=859610>

Question 787

People who are born and raised in poverty are the most likely to break the cycle and escape poverty as adults.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860336>

Question 788

A downward-sloping demand curve means that as the price falls, the demand increases.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858908>

Question 789

Examples of search goods are greeting cards, fish, and fresh fruits.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860695>

Question 790

Other things being equal, an increase in income will cause an increase in demand and an increase in quantity demanded if the good is a normal good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858910>

Question 791

Monopolistic competition is prevalent in:

- A) export industries
- B) consumer durable goods industries
- C) service industries
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859982>

Question 792

When the price of a product falls, total revenue rises. From this we can conclude that the demand for the product is:

- A) elastic
- B) inelastic
- C) zero elastic
- D) unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859048>

Question 793

When a country limits the quantity of an item that it will allow to be imported into the country, it is specifically using:

- A) a restrictive tariff
- B) an import subsidy
- C) an import quota
- D) a prohibitive quota

Answer: <https://biology-forums.com/index.php?topic=860421>

Question 794

In the simple circular flow model, the two markets are:

- A) households and businesses
- B) factor and product
- C) goods and services
- D) goods and resources

Answer: <https://biology-forums.com/index.php?topic=858761>

Question 795

The rate of interest which lending institutions charge their most creditworthy borrowers is called:

- A) the bank rate
- B) the prime rate
- C) the risk premium
- D) interest spread

Answer: <https://biology-forums.com/index.php?topic=860151>

Question 796

Which of the following are among Canada's leading export markets?

- A) Japan
- B) The United Kingdom
- C) The United States
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860408>

Question 797

In which of the following circumstances will unions be in the strongest position to demand wage increases?

- A) High inflation and low unemployment
- B) Low inflation and high unemployment
- C) Falling demand for goods and services
- D) Low productivity and low profitability

Answer: <https://biology-forums.com/index.php?topic=860128>

Question 798

Which of the following statements is correct?

- A) A change in the price of an item causes a change in quantity supplied; a change in a factor other than the price of an item causes a change in supply
- B) A change in price causes a change in supply; a change in a factor other than price causes a change in quantity supplied
- C) The effect of a change in price is shown by an outward shift of the supply curve
- D) The effect of a change in price is shown by an inward shift of the supply curve

Answer: <https://biology-forums.com/index.php?topic=858867>

Question 799

An industry consists of four firms with market shares of 35%, 30%, 25%, and 10%. On the basis of this information, the Herfindahl-Hirschman Index (HHI) is:

- A) 100
- B) 10 000
- C) 2850
- D) 28 500

Answer: <https://biology-forums.com/index.php?topic=860016>

Question 800

A reservation price is:

- A) a form of absolute price control
- B) a price that is so high that consumers have reservations about purchasing the item
- C) a price below which producers would prefer to withdraw the product from the market
- D) the lowest wage that workers will accept for employment in a certain industry

Answer: <https://biology-forums.com/index.php?topic=859081>

Question 801

In the long run:

- A) there are no fixed costs
- B) there are no variable costs
- C) there are only imputed costs
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859631>

Question 802

What effect is a three-cent-per-litre increase in the price of gasoline likely to have?

- A) A noticeable reduction in quantity demanded as the demand for gasoline is highly elastic
- B) No significant reduction in quantity demanded as a result of the price increase because demand for gasoline is perfectly elastic
- C) No significant reduction in quantity demanded as a result of the price increase because substitution possibilities are limited
- D) A significant reduction in quantity demanded as there are many substitutes for gasoline

Answer: <https://biology-forums.com/index.php?topic=859060>

Question 803

Assumptions are statements about the conditions under which a model operates.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858571>

Question 804

An inverse relationship between two variables will appear as an upward sloping curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858673>

Question 805

When comparative advantage exists:

- A) nations cannot benefit by trading
- B) there can be no mutual benefit from trading
- C) nations will refrain from trade
- D) trade can be mutually beneficial

Answer: <https://biology-forums.com/index.php?topic=860376>

Question 806

Refer to Figure 5.2. To be effective, a price ceiling must lie:

- A) above P_0 but below P_2
- B) anywhere above P_0
- C) below P_0 but above P_3
- D) anywhere below P_0

Answer: <https://biology-forums.com/index.php?topic=859153>

Question 807

The Engel curve for an inferior good is:

- A) downward sloping
- B) horizontal
- C) upward sloping
- D) vertical

Answer: <https://biology-forums.com/index.php?topic=859414>

Question 808

Consumer surplus refers to:

- A) extra income earned by consumers
- B) benefits derived by consumers over and above the price that they pay for an item
- C) the extra money that consumers are asked to pay because of taxes
- D) the additional income gained by consumers from union agreements

Answer: <https://biology-forums.com/index.php?topic=859139>

Question 809

Refer to Figure 5.4. Consumer surplus is 40.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859204>

Question 810

Numerous examples of firms in pure competition can be found in the Canadian economy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859805>

Question 811

Marginal-cost pricing is a characteristic feature of monopolies.

True or False?

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

Question 812

Scarcity forces:

- A) poverty
- B) choice
- C) an equitable distribution of wealth
- D) the need for government intervention

Answer: <https://biology-forums.com/index.php?topic=858470>

Question 813

Among the causes of poverty are low productivity, low economic growth, mental disability, and discrimination.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860332>

Question 814

Governments never intervene in the free market system because:

- A) the free market system always gives desired results
- B) the free market system is endorsed by the government
- C) government intervention in markets is illegal
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859132>

Question 815

In Canada:

- A) there is no low-income cut-off
- B) the low-income cut-off is established in such a way that poverty disappears
- C) there is relative poverty, but no absolute poverty
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860242>

Question 816

The income elasticity of demand for television sets is 1.6. This means that:

- A) an increase in income of 10% will cause the quantity of television sets demanded to fall by 16%
- B) an increase in income of 10% will cause the quantity of television sets demanded to rise by 16%
- C) a fall of 10% in the price of television sets will cause income to fall by 16%
- D) a fall of 10% in the price of television sets will cause income to rise by 16%

Answer: <https://biology-forums.com/index.php?topic=859075>

Question 817

The Gini coefficient is unrelated to the Lorenz curve.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860300>

Question 818

Which of the following is likely to have an inelastic demand?

- A) Fresh fruit
- B) Chewing gum
- C) Diamonds
- D) Steak

Answer: <https://biology-forums.com/index.php?topic=859063>

Question 819

Refer to Figure 10.2. This firm's demand curve is inelastic at a price of:

- A) \$12
- B) \$8
- C) \$6
- D) \$4

Answer: <https://biology-forums.com/index.php?topic=859896>

Question 820

The point of saturation occurs when:

- A) marginal product is at its maximum
- B) total product is rising at a decreasing rate
- C) marginal product is zero
- D) marginal product is rising at an increasing rate

Answer: <https://biology-forums.com/index.php?topic=859539>

Question 821

If a community is currently spending an amount on pollution abatement such that the marginal social cost equals the marginal social benefit, then:

- A) it is permitting too much pollution
- B) it is permitting too little pollution
- C) it should spend more on pollution abatement
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860515>

Question 822

If an item costs only a few cents, its demand is likely to be inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859098>

Question 823

Which of the following market structures constitute imperfect competition?

- A) pure competition and monopoly
- B) monopoly and monopolistic competition
- C) monopolistic competition and oligopoly
- D) oligopoly and pure competition

Answer: <https://biology-forums.com/index.php?topic=859729>

Question 824

What is the shape of the long-run supply curve for a firm in a competitive industry?

- A) The LRS curve of a constant-cost industry is horizontal at the minimum average cost
- B) The LRS curve of an increasing-cost industry is upward sloping
- C) The LRS curve of a decreasing-cost industry is downward sloping
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859787>

Question 825

Refer to Figure 5.3. At a wage rate of \$6, how many workers will be hired?

- A) 50 000
- B) 30 000
- C) 10 000
- D) 20 000

Answer: <https://biology-forums.com/index.php?topic=859167>

Question 826

Economic efficiency ratio is the ratio of:

- A) the quantity of inputs to the quantity of outputs
- B) the quantity of outputs to the quantity of inputs
- C) the cost of the inputs to the value of the output
- D) the value of the output to the cost of the inputs

Answer: <https://biology-forums.com/index.php?topic=859500>

Question 827

The incidence of low income among households in Quebec, Newfoundland and Labrador, British Columbia, and Manitoba is higher than that in the other provinces.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860321>

Question 828

A firm's total product is:

- A) the maximum quantity of output that it can produce with given inputs and given technology
- B) the total amount that it can produce when its factors of production are fixed
- C) the value of its short-run total sales when it has no control over the technology that it uses
- D) the value of its long-run total sales provided that whatever quantity it produces is sold

Answer: <https://biology-forums.com/index.php?topic=859517>

Question 829

If the consumer searches until he or she arrives at the point where the marginal benefit from search and the marginal cost of search are equal, the consumer should end the search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860680>

Question 830

The income elasticity of demand is defined as the percentage change in quantity demanded divided by the percentage change in income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859116>

Question 831

The Guaranteed Income Supplement:

- A) is paid to all Canadian citizens
- B) is subject to federal and provincial tax
- C) is given regardless of the recipients' needs
- D) is based on need

Answer: <https://biology-forums.com/index.php?topic=860273>

Question 832

An indifference schedule is a table that shows that the consumer is indifferent as to the amount of money spent on commodities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859441>

Question 833

Which of the following is a means by which firms differentiate their products?

- A) Distinctive designs, packaging, trademarks, etc.
- B) Product image

- C) Emphasizing certain features
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859975>

Question 834

Production substitutes are goods that are produced as alternatives to each other.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858937>

Question 835

Refer to Figure 10.2. This firm's demand curve is unitary elastic at a price of:

- A) \$6
- B) \$4
- C) \$8
- D) \$12

Answer: <https://biology-forums.com/index.php?topic=859894>

Question 836

If the demand for an item is perfectly inelastic, the incidence of an excise tax will be borne entirely by producers.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859239>

Question 837

Fixed costs are costs of resources whose prices remain fixed for long periods of time.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859682>

Question 838

If the demand and marginal revenue curves are linear and downward sloping, the marginal revenue curve will bisect any horizontal line between the vertical axis and the demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859936>

Question 839

The kinked demand curve model explains:

- A) rapid price fluctuations in monopoly markets
- B) price rigidity in purely competitive markets
- C) price rigidity in oligopolistic industries
- D) rapid price adjustment in oligopolistic markets

Answer: <https://biology-forums.com/index.php?topic=860021>

Question 840

The concept of market income is used to approximate the sum of earnings from employment and self-employment, investment income, private retirement income, and other incomes, excluding government transfers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860278>

Question 841

The United States buys about 75% of Canada's exports.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860455>

Question 842

A profit-maximizing monopolist will not operate within a price range where the demand for its product is inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859949>

Question 843

Which of the following is an example of a public good?

- A) Police protection
- B) Public health services
- C) National defence
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860494>

Question 844

Elasticity is:

- A) the extent to which an item can stretch
- B) the amount of price variability when income changes
- C) the extent to which a firm can increase its output of goods and services
- D) the extent to which one variable responds to a change in some other variable

Answer: <https://biology-forums.com/index.php?topic=859011>

Question 845

Setting emission standards for automobiles and manufacturing plants is an example of direct regulation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860574>

Question 846

By encouraging their members to purchase union-made products the professional association hopes to:

- A) shift the labour demand curve to the right
- B) shift the labour demand curve to the left
- C) shift the labour supply curve to the right
- D) shift the labour supply curve to the left

Answer: <https://biology-forums.com/index.php?topic=860133>

Question 847

It is possible to determine whether a particular variable is endogenous or exogenous by:

- A) examining its value
- B) examining the model
- C) observing whether the variable affects others
- D) excluding it to determine the impact on the model

Answer: <https://biology-forums.com/index.php?topic=858527>

Question 848

The percentage of Canadians living below the poverty line is approximately:

- A) 15%
- B) 5%
- C) 30%
- D) 40%

Answer: <https://biology-forums.com/index.php?topic=860245>

Question 849

Refer to the data in Table 14.2 to answer this question. What is the cost of a kilogram of oats (in terms of barley) in Country B?

- A) 0.5 kg. of barley
- B) 2 kg. of barley
- C) 2.5 kg. of barley
- D) 3 kg. of barley

Answer: <https://biology-forums.com/index.php?topic=860371>

Question 850

The total revenue curve of a purely competitive firm is:

- A) a horizontal straight line
- B) an upward sloping straight line through the origin
- C) a downward sloping straight line representing the demand for the product
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859743>

Question 851

The population of an island consists of 60 000 people, 35 000 of whom are females. The percentage of males to females is:

- A) 71.4%
- B) 28.6%
- C) 58.3%
- D) 63.2%

Answer: <https://biology-forums.com/index.php?topic=858650>

Question 852

A price ceiling is the upper price limit at which a seller can legally sell a commodity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859209>

Question 853

The law of diminishing marginal utility states that as additional units of a good are consumed, the total utility diminishes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859324>

Question 854

The theory of geographical determinism states that comparative advantage is determined by natural endowment.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860444>

Question 855

Which of the following is said to exist when it is cheaper to produce a set of different products together rather than separately?

- A) External economies
- B) Economies of scale
- C) Economies of scope
- D) Combined economies

Answer: <https://biology-forums.com/index.php?topic=859668>

Question 856

The concept of elasticity is useful for business decision making but not for government (public) policy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859127>

Question 857

The total fixed cost curve declines as output expands.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859695>

Question 858

Fixed factors are:

- A) resources whose prices are fixed
- B) factors of production intended for specific uses
- C) resources that are scarce or limited in supply
- D) inputs that the firm cannot change during a given period

Answer: <https://biology-forums.com/index.php?topic=859504>

Question 859

A consumption possibility schedule is a table that shows various combinations of goods or services that give the consumer the same level of satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859425>

Question 860

Which of the following statements about endogenous variables is correct?

- A) They have no place in scientific economics
- B) Their values are determined within a model
- C) Their values are pre-determined outside a model
- D) They are always fixed

Answer: <https://biology-forums.com/index.php?topic=858524>

Question 861

The demand and supply equations are $QD = 600 - 2P$ and $QS = 300 + 4P$. At a price of 40:

- A) a surplus of 520 exists
- B) a surplus of 460 exists
- C) a shortage of 80 exists
- D) a shortage of 60 exists

Answer: <https://biology-forums.com/index.php?topic=858981>

Question 862

The diagonal straight line in a Lorenz curve diagram represents the highest degree of income inequality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860291>

Question 863

A tax imposed on the rent portion of income will cause a drastic shift of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860203>

Question 864

Rent control is an example of:

- A) exorbitant pricing practices
- B) a price ceiling
- C) a price floor
- D) price inflation

Answer: <https://biology-forums.com/index.php?topic=859150>

Question 865

If there are only four firms in an industry, and their market shares are 35%, 35%, 15%, and 15% respectively, then the HHI index would be 2900, and this would mean that the industry is highly concentrated.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860076>

Question 866

The demand curve of a firm in monopolistic competition is:

- A) identical to its marginal revenue curve
- B) identical to its average revenue curve
- C) steeper than its average revenue curve
- D) flatter than its average revenue curve

Answer: <https://biology-forums.com/index.php?topic=859984>

Question 867

A horizontal supply curve implies:

- A) perfectly elastic supply
- B) perfectly inelastic supply
- C) unitary elastic supply
- D) inelastic supply

Answer: <https://biology-forums.com/index.php?topic=859080>

Question 868

Which of the following statements is correct?

- A) In equilibrium, the demand and supply functions are identical
- B) In equilibrium, the demand and supply functions have no particular meanings
- C) In equilibrium, quantity demanded and quantity supplied are equal

D) Equilibrium price and quantity cannot be determined from demand and supply functions

Answer: <https://biology-forums.com/index.php?topic=858975>

Question 869

Refer to the above data. The rent portion of Andrea's income is:

- A) \$200 000
- B) \$80 000
- C) \$120 000
- D) \$40 000

Answer: <https://biology-forums.com/index.php?topic=860142>

Question 870

Macroeconomics concerns itself with the behaviour of economic aggregates such as total employment and the average level of prices.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858604>

Question 871

The concept of elasticity of supply can help to explain why some items, such as rare paintings and antiques, are so expensive.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859129>

Question 872

Refer to Figure 9.1. At the profit maximizing output level consistent with a price of \$12, the firm's total revenue is:

- A) \$1200
- B) \$1080
- C) \$720
- D) \$840

Answer: <https://biology-forums.com/index.php?topic=859762>

Question 873

According to the law of demand, people will always buy more of a product when its price falls.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858898>

Question 874

The distribution of income among individuals and households is called:

- A) the functional distribution of income
- B) the size distribution of income
- C) the spatial distribution of income
- D) the incidence of income distribution

Answer: <https://biology-forums.com/index.php?topic=860223>

Question 875

Which of the following is not an effective barrier to entry?

- A) Monopolistic competition
- B) Patents
- C) Franchises
- D) Ownership of essential material

Answer: <https://biology-forums.com/index.php?topic=859860>

Question 876

Elasticity is the term used to describe the degree to which a variable will respond to changes in another variable.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859083>

Question 877

The demand curve of a firm in monopolistic competition is:

- A) perfectly inelastic
- B) perfectly elastic

- C) relatively elastic
- D) highly inelastic

Answer: <https://biology-forums.com/index.php?topic=859983>

Question 878

A typical demand function could take the form of $QD = 20 + 4P$ where QD = quantity demanded and P = price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858995>

Question 879

In discussing the production function, we must assume land to be the fixed factor and labour to be the variable factor.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859577>

Question 880

According to the law of diminishing returns, as increasing quantities of a variable factor are added to a fixed factor, after a while:

- A) the total product will increase
- B) the total product will increase at an increasing rate
- C) the total product will diminish
- D) the total product will increase at a decreasing rate

Answer: <https://biology-forums.com/index.php?topic=859532>

Question 881

Refer to Figure 10.1. The maximum total revenue this firm can earn is:

- A) 0GHB
- B) 0JKA
- C) 0CQP
- D) 0NML

Answer: <https://biology-forums.com/index.php?topic=859883>

Question 882

A market is considered to be imperfect if individual buyers and sellers do not have enough power in the market to be able to influence the prices of inputs and outputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860543>

Question 883

The consumer maximizes utility when the ratio of the marginal utilities of all goods are exactly equal to the ratio of their quantities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859336>

Question 884

A direct relationship exists between income and the demand for inferior goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858913>

Question 885

Refer to Figure 5.4. Producer surplus is 100.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859205>

Question 886

Employment discrimination is:

- A) supported by law in Canada
- B) advantageous to the entire economy
- C) not a contributing factor of poverty
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860263>

Question 887

The HST is an example of an excise tax.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859238>

Question 888

A measure for a unit of satisfaction is called a unisat.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859310>

Question 889

The correct term for non-human resources, made available by nature, such as minerals, fish, and water is:

- A) natural resources
- B) gifts of nature
- C) land
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858486>

Question 890

The break-even level of output for a firm in pure competition occurs where the firm's demand curve is tangent to its average total cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859831>

Question 891

The Water-Diamond paradox is resolved by recognizing that price is equal to marginal utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859346>

Question 892

An increase in population from 80 000 to 90 000 is exactly the same, in percentage terms, as an increase from 100 000 to 110 000.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858690>

Question 893

Which of the following is true?

- A) Absolute poverty no longer exists in Canada
- B) Many people in Canada experience absolute poverty
- C) Absolute poverty exists only when people demand too much from society
- D) Absolute poverty has been eliminated because of generous transfer payments from the government

Answer: <https://biology-forums.com/index.php?topic=860237>

Question 894

The optimal level of pollution is that level at which the marginal cost is equal to the marginal benefit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860573>

Question 895

For which of the following reasons might a government intervene in the market system?

- A) To ensure that firms always earn a large profit
- B) To ensure that its citizens are never disadvantaged by the price adjustment mechanism
- C) To ensure that tax rates are sufficient to reduce consumer surplus to zero
- D) To alter the market-determined results and to produce effects that are politically and socially acceptable.

Answer: <https://biology-forums.com/index.php?topic=859131>

Question 896

Refer to Figure 10.2. In order to maximize profits, this firm should produce an output of:

- A) 15 units
- B) 30 units
- C) 10 units
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859892>

Question 897

If there is a simultaneous increase in the demand for and the supply of labour, it is unambiguous that the wage rate will rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860168>

Question 898

Normal goods are goods for which demand increases as income increases and for which demand falls as income falls.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858912>

Question 899

Usually, the buyer has the information advantage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860702>

Question 900

Engel curves for normal goods are upward sloping, while Engel curves for inferior goods are downward sloping.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859462>

Question 901

X-inefficiency can result from keeping on unproductive workers out of loyalty, putting unproductive relatives and friends on the payroll, or padding executives' expense accounts.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859948>

Question 902

Opponents of the negative income tax claim that:

- A) its cost would escalate
- B) its establishment would be impractical
- C) it would be politically problematic
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860277>

Question 903

All resources are scarce in Canada.

True or False?

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

Question 904

The total product concept is:

- A) applicable to the short run but not to the long run
- B) applicable to the long run but not to the short run
- C) a stock variable and is therefore a short run concept
- D) a flow variable

Answer: <https://biology-forums.com/index.php?topic=859518>

Question 905

Indifference curves are downward sloping, convex, and non-intersecting.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859450>

Question 906

In any economic model, the level of income will be an exogenous variable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858593>

Question 907

Which of the following is true?

- A) Comparative advantage cannot be evaluated
- B) All countries have equal comparative advantages
- C) Some countries have a comparative advantage over others
- D) Comparative advantage can only exist in resource markets

Answer: <https://biology-forums.com/index.php?topic=860391>

Question 908

If marginal product is falling:

- A) total product must be falling
- B) total product is rising at an increasing rate
- C) average product must be falling
- D) average product can be rising or falling

Answer: <https://biology-forums.com/index.php?topic=859526>

Question 909

The method which is economically most efficient is the one which uses the fewest inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859559>

Question 910

If a country decides to build schools instead of hospitals, the opportunity cost of the schools is the hospitals that could have been built instead.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858774>

Question 911

The long-run average cost curve and the short-run average cost curve both have the same "U-shape", for the exact same reasons.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859723>

Question 912

Which of the following is true of inferior goods?

- A) Demand for them decreases as income increases
- B) Demand for them increases as their prices rise
- C) They are goods of inferior quality
- D) They are goods that consumers have no interest in buying

Answer: <https://biology-forums.com/index.php?topic=858846>

Question 913

The break-even level of output for a firm in pure competition occurs where the firm's marginal cost curve cuts its average total cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859832>

Question 914

Economic costs consists of accounting costs and imputed costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859678>

Question 915

In the relationship between a famous actor and his agent, the actor is referred to as the principal-agent.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860719>

Question 916

Which of the following is not a scarce resource in Canada?

- A) Forests
- B) Water that runs from the tap in a house
- C) Machinery in a manufacturing plant
- D) Sunlight

Answer: <https://biology-forums.com/index.php?topic=858485>

Question 917

A perfectly elastic demand curve is:

- A) downward sloping
- B) upward sloping
- C) vertical
- D) horizontal

Answer: <https://biology-forums.com/index.php?topic=859022>

Question 918

The paradox of value is resolved by recognizing that price is related to marginal utility, not to total utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859347>

Question 919

Distributing income equally to all could result in an undesirable decline in income and output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860287>

Question 920

Which of the following is Canada's most important import?

- A) Machinery and equipment
- B) Crude petroleum
- C) Wheat
- D) Fresh fruit

Answer: <https://biology-forums.com/index.php?topic=860412>

Question 921

A purely competitive firm must decide on:

- A) the price at which it will sell its product to maximize its profits
- B) the level of output that will maximize its profits
- C) what price to charge and how much to sell in order to maximize its profits
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859732>

Question 922

When the percentage change in quantity demanded exceeds the percentage change in price, then demand is said to be:

- A) inelastic
- B) zero elastic
- C) elastic
- D) unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859027>

Question 923

In the long run, the monopolist is constrained by fixed factors of production.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859951>

Question 924

In making its pricing-output decision, a profit-maximizing monopolistic firm:

- A) does not need to consider its demand curve
- B) does not need to consider production costs
- C) should consider its demand curve
- D) should charge any price between its average variable cost and its average total cost curves

Answer: <https://biology-forums.com/index.php?topic=859869>

Question 925

A family headed by a female is three times as likely (or more) to be poor as a family headed by a male.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860323>

Question 926

In the second quadrant on a graph, the y variable is positive, while the x variable is negative.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858668>

Question 927

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 928

Public goods are generally provided by:

- A) large private corporations
- B) small firms
- C) government
- D) philanthropists

Answer: <https://biology-forums.com/index.php?topic=860497>

Question 929

A production quota reduces producer surplus and increases consumer surplus.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859234>

Question 930

The greenhouse effect is the heating of the earth by greenhouse gases.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860586>

Question 931

The short-run supply curve of a purely competitive firm is the portion of its marginal cost curve which lies above its average variable cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859835>

Question 932

Which of the following is a cause of income inequality?

- A) Education
- B) Discrimination
- C) Social connections
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860236>

Question 933

In economics, utility means:

- A) usefulness
- B) a company that provides electricity

- C) certain types of bills
- D) satisfaction

Answer: <https://biology-forums.com/index.php?topic=859246>

Question 934

In a simple circular flow model with only households and firms, the role of households is:

- A) only to buy goods and services in the product market
- B) only to buy goods and services in the factor (resource) market
- C) to buy goods and services in the product market and sell resources in the factor market
- D) to buy goods and services in the factor market and sell resources in the product market

Answer: <https://biology-forums.com/index.php?topic=858760>

Question 935

Advertising often results in increased competition among sellers and lower prices as they make their pitch for the consumers' dollar.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860693>

Question 936

How will a firm respond to a change in the prices of the inputs it purchases?

- A) If the two inputs are substitutable, it will use more of the cheaper input
- B) Even if the inputs are substitutable, it will not vary the relative proportions of its inputs
- C) Given that a firm is already minimizing costs, its current combination of inputs is most efficient and it will leave inputs unchanged
- D) It will completely discontinue use of the more expensive input, given that the inputs are substitutable

Answer: <https://biology-forums.com/index.php?topic=859543>

Question 937

The quantity associated with any particular price in a demand schedule tells us:

- A) the demand for the product at that price
- B) the quantity of the product demanded at that price
- C) the quantity actually bought at that price
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858830>

Question 938

Refer to Table 14.3. If country B specializes in pens, it will be able to produce a total of:

- A) 74 500 pens
- B) 90 000 pens
- C) 70 100 pens
- D) 75 000 pens

Answer: <https://biology-forums.com/index.php?topic=860387>

Question 939

The total variable cost curve:

- A) lies above the total cost curve
- B) lies below the total cost curve
- C) is a horizontal straight line starting at some positive value along the vertical axis
- D) intersects the total cost curve at its minimum point

Answer: <https://biology-forums.com/index.php?topic=859643>

Question 940

By assuming ceteris paribus, economists make sure that economics can never be ambiguous.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858573>

Question 941

Which of the following groups is most likely to be poor?

- A) People who live in Ontario
- B) Families with no children under 6 years of age
- C) Unattached individuals with 0 to 8 years of schooling

D) Employed heads of families

Answer: <https://biology-forums.com/index.php?topic=860252>

Question 942

The equimarginal principle is:

A) $MUA \times MUB = PA / PB$

B) $MUA / MUB = PA / PB$

C) $MUA / MUB = PA \times PB$

D) $MUB / MUA = PA / PB$

Answer: <https://biology-forums.com/index.php?topic=859281>

Question 943

The economic analysis of search suggests that:

A) all consumers will end up paying the same price for an item

B) consumers will abandon the search for a lower price at different times and end up paying different prices for the item

C) rational consumers will spend the same amount of time in search of a lower price and will therefore end up paying the same price for an item

D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860622>

Question 944

Given two goods, A and B, and your income (if you are now maximizing your satisfaction and spending all your income) then a fall in the price of A will cause you to buy:

A) more of A and less of B

B) more of B and less of A

C) more of A and more of B

D) less of A and less of B

Answer: <https://biology-forums.com/index.php?topic=859294>

Question 945

In a capitalist economic system, it is believed that the government should intervene to protect individual freedom, enforce contracts, and encourage competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860758>

Question 946

Cost can be defined as:

A) payment for resources excluding payroll costs

B) payment for labour services but cannot include raw materials

C) the amount spent to market a product less any adjustment for delivery

D) a payment for the inputs used to produce goods and services

Answer: <https://biology-forums.com/index.php?topic=859604>

Question 947

Refer to Figure 1A.1. The slope of the curve at point B is:

A) 3/4

B) 4/5

C) -2

D) -1/2

Answer: <https://biology-forums.com/index.php?topic=858639>

Question 948

Specialization can result in increased efficiency.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860449>

Question 949

The fact that lower prices draw buyers into the market relates to the market-size effect.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858906>

Question 950

An investigation into the pricing policies of college bookstores would be considered a microeconomics topic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858606>

Question 951

Search cost is:

- A) explicit only
- B) implicit only
- C) explicit or implicit
- D) not something which can be calculated

Answer: <https://biology-forums.com/index.php?topic=860605>

Question 952

The average product of a variable factor is the total product divided by the quantity of the variable input.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859582>

Question 953

The law of diminishing returns applies to:

- A) the long run only
- B) the long run and the short run
- C) the short run only
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859535>

Question 954

Which of the following is likely to have an inelastic demand?

- A) A product with many substitutes
- B) A product that is relatively expensive
- C) A product whose price is only a few cents
- D) A product that is considered a luxury

Answer: <https://biology-forums.com/index.php?topic=859062>

Question 955

The effectiveness of direct regulation in reducing pollution may be decreased if:

- A) too much effort is put into detecting offenders
- B) the penalties for violation are too severe
- C) it is difficult to detect the offenders
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860520>

Question 956

Which of the following is an external cost to a firm that pollutes the environment?

- A) The increase in taxes that people must pay in order to clean up the environment
- B) The destruction of the fish population in many rivers and lakes
- C) A less healthy population
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860487>

Question 957

A graph showing the various combinations of goods and services available through specialization and trade is called:

- A) a specialization curve
- B) a combination curve
- C) a trading curve
- D) the terms of trade

Answer: <https://biology-forums.com/index.php?topic=860388>

Question 958

If a firm in monopolistic competition is operating with its price greater than its average total cost:

- A) it cannot be maximizing its profits
- B) it is definitely maximizing its profits
- C) firms will enter the industry
- D) firms will leave the industry

Answer: <https://biology-forums.com/index.php?topic=859989>

Question 959

Refer to Table 14.1. In country B, the opportunity cost of a computer, in terms of coffee is:

- A) 20 kg. of coffee
- B) 100 kg. of coffee
- C) 500 kg. of coffee
- D) 1500 kg. of coffee

Answer: <https://biology-forums.com/index.php?topic=860362>

Question 960

Goods with a large number of production substitutes are likely to have an inelastic supply.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859125>

Question 961

Moral appeal is the use of legal means to reduce the level of pollution.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860577>

Question 962

A utility-maximizing consumer will allocate his or her budget in such a way that the last dollar spent on each item purchased gives the same amount of extra utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859339>

Question 963

If the cross elasticity of demand between A and B is positive, then A and B are substitutes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859107>

Question 964

Refer to Figure 15.1. This society is not spending enough on pollution abatement at a level of:

- A) Q1
- B) Q2
- C) Q3
- D) Q4

Answer: <https://biology-forums.com/index.php?topic=860510>

Question 965

According to the law of demand:

- A) the more money people have, the more they will spend
- B) people will tend to buy a larger quantity of a product when its price falls
- C) demand is the only factor which determines the price of a product in the market place
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858835>

Question 966

The lemon problem can be resolved by:

- A) simply ignoring the issue of asymmetric information
- B) eliminating high quality goods and selling only lemons
- C) providing more information to the party that lacks it

D) raising the prices of lemons

Answer: <https://biology-forums.com/index.php?topic=860648>

Question 967

The method that is economically most efficient is:

- A) the one that provides the most employment
- B) the one that uses the least inputs
- C) the one with the lowest cost
- D) the one that maximizes total revenue

Answer: <https://biology-forums.com/index.php?topic=859490>

Question 968

In the indifference curve approach, it is not necessary for the consumer to be able to state a preference for or indifference to the commodities that he or she consumes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859442>

Question 969

Lack of adequate information can cause market players to make decisions that do not maximize their profits or their satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860547>

Question 970

Utility:

- A) can be precisely measured by economists because they have the necessary tools
- B) can be measured exactly by consumers but not by producers
- C) can be measured precisely because consumers are assumed to be rational
- D) cannot be measured precisely because there is no precise measure for the concept of a util

Answer: <https://biology-forums.com/index.php?topic=859250>

Question 971

The firm's long-run average cost curve is the cost curve showing the minimum cost per unit at which a firm can produce each level of output and is tangent to the infinite number of SRAC curves.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859717>

Question 972

In monopolistic competition, a firm maximizes its profits when:

- A) its marginal revenue equals its marginal cost
- B) its marginal revenue exceeds its marginal cost
- C) its price equals its marginal cost
- D) its price equals its marginal revenue

Answer: <https://biology-forums.com/index.php?topic=859988>

Question 973

The point at which the marginal product is zero is referred to as:

- A) the point of diminishing marginal product
- B) the point of profit maximization
- C) the point of maximum efficiency
- D) the point of saturation

Answer: <https://biology-forums.com/index.php?topic=859537>

Question 974

The firm seeking to maximize its profits will employ labour up to the point where:

- A) $W = MPPL$
- B) $VMPPL = MPPL$
- C) $MRPL = VMPPL$
- D) $MRPL = W$

Answer: <https://biology-forums.com/index.php?topic=860105>

Question 975

Unions are most likely to support a closed shop arrangement.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860175>

Question 976

Public goods are:

- A) goods that are provided by the public
- B) goods that are available to the public for free
- C) goods that have been selected by the public on the basis that they provide the greatest satisfaction
- D) goods or services that are consumed collectively; no one can be excluded from their consumption

Answer: <https://biology-forums.com/index.php?topic=860490>

Question 977

Which of the following statements is correct?

- A) A flow changes but a stock does not
- B) A flow does not have a time dimension
- C) Stocks and flows are both variables
- D) A flow cannot affect a stock

Answer: <https://biology-forums.com/index.php?topic=858528>

Question 978

Economists gather information, analyze it, and formulate and test hypotheses, and thus arrive at general statements or laws concerning economic phenomena. That's why economics is a science.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858566>

Question 979

Wages and salaries are not included in the cost of production because firms cannot buy workers

True or False?

Answer: <https://biology-forums.com/index.php?topic=859671>

Question 980

Utility is a measure of the usefulness of a product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859307>

Question 981

The law of diminishing returns applies only when land is the fixed factor and labour the variable factor.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859595>

Question 982

A theory explaining how much a firm should produce in order to maximize its profits is:

- A) macroeconomic theory
- B) microeconomic theory
- C) income and employment theory
- D) aggregate economic theory

Answer: <https://biology-forums.com/index.php?topic=858534>

Question 983

If average product is falling, marginal product must be negative.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859590>

Question 984

Which of the following statements is correct?

- A) Labour services generate a kind of income called profit
- B) Capital generates a kind of income called profit
- C) Land generates a kind of income called interest
- D) Entrepreneurship generates a kind of income called profit

Answer: <https://biology-forums.com/index.php?topic=858492>

Question 985

Merit goods are goods that are determined by the government to be good for people, regardless of how people evaluate these goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860560>

Question 986

Refer to Figure 9.2. At its current level of output, the firm's total revenue is:

- A) 0EAQ
- B) 0DCQ
- C) EDCB
- D) 0PBQ

Answer: <https://biology-forums.com/index.php?topic=859772>

Question 987

Scarcity, choice, and opportunity cost can be illustrated by production possibilities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858787>

Question 988

Adverse selection is a situation in which the informed party to a transaction uses his or her information advantage to act in a way that benefits the uninformed party.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860706>

Question 989

Refer to Table 7.2. Which of the following statements is correct?

- A) Method A is technically efficient, and is therefore economically efficient
- B) Method B is technically efficient, and is therefore economically efficient
- C) Method B is technically inefficient, and is therefore economically inefficient
- D) Method A is technically inefficient and is therefore economically efficient

Answer: <https://biology-forums.com/index.php?topic=859497>

Question 990

Which of the following is true?

- A) The amount of satisfaction derived from the consumption of each successive unit of a given good is greater than the amount of satisfaction derived from the consumption of a previous unit
- B) The amount of satisfaction derived from the consumption of each successive unit of a given good is less than the amount of satisfaction derived from the consumption of a previous unit
- C) Total utility and marginal utility must eventually be equal for a rational consumer
- D) Consumption of successive amounts of one good yields constant amounts of utility

Answer: <https://biology-forums.com/index.php?topic=859257>

Question 991

The ceteris paribus (other things being equal) assumption allows one to:

- A) distinguish between stocks and flows
- B) isolate the effects of certain variables
- C) interchange endogenous and exogenous variables
- D) ignore the implications of the post hoc fallacy

Answer: <https://biology-forums.com/index.php?topic=858511>

Question 992

Economists follow the scientific approach by conducting controlled laboratory experiments. That's why economics is considered a science.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858565>

Question 993

The scientific approach involves:

- A) observation and measurement only
- B) formulation of hypotheses only
- C) the testing of hypotheses only
- D) observation, measurement, hypotheses and verification

Answer: <https://biology-forums.com/index.php?topic=858500>

Question 994

Jack has an income of \$24. The price of rice (R) is \$2 and the price of flour (F) is \$4. Which of the following combinations falls on Jack's budget line?

- A) 10R and 2F
- B) 6R and 1F
- C) 4R and 4F
- D) 2R and 3F

Answer: <https://biology-forums.com/index.php?topic=859362>

Question 995

A demand function is:

- A) a table showing a relationship between price and demand
- B) a graph showing a relationship between quantity demanded and demand
- C) a table showing a relationship between quantity demanded and price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858962>

Question 996

A constant-cost industry is one in which:

- A) costs remain constant as the industry expands
- B) the price of the product rises constantly
- C) input prices rise at a constant rate
- D) input prices remain constant over the long-run

Answer: <https://biology-forums.com/index.php?topic=859788>

Question 997

Producer sovereignty is the notion that businesses (producers) decide what to produce and in what quantities, and then manipulate consumers into purchasing what is produced through marketing and hard selling techniques.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860755>

Question 998

The functional notation:

- A) is used only in mathematics
- B) has no function in economics because economists deal with real relationships
- C) is useful in economics because economics deals with relationships among variables
- D) should be used only when words become inadequate to explain things

Answer: <https://biology-forums.com/index.php?topic=858613>

Question 999

Which of the following is true of costs in the short run?

- A) The total fixed cost curve declines continuously
- B) The total cost curve falls, reaches a minimum and then rises
- C) The total cost curve and the total variable cost curve are parallel
- D) The total cost curve starts at the origin

Answer: <https://biology-forums.com/index.php?topic=859640>

Question 1000

Demand shifters include the prices of related goods, income, population, and expectations.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858922>

Question 1001

If X and Y are substitutes, their cross elasticity coefficient will be:

- A) greater than 1
- B) less than 1
- C) greater than 0
- D) less than zero

Answer: <https://biology-forums.com/index.php?topic=859070>

Question 1002

In a union shop arrangement, employees must be union members before they are hired.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860174>

Question 1003

If Peter borrows \$4500 from a bank for one year at an interest rate of 4.2%, how much interest does he pay?

- A) \$18.90
- B) \$1890.00
- C) \$189.00
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860146>

Question 1004

Because the poor are likely to have low levels of education and skills, their productivity is likely to be low. This low productivity prevents the economy's output of goods and services from reaching its full potential.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860316>

Question 1005

Engel curves show the relationship between:

- A) prices and consumption
- B) income and consumption
- C) income and prices
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859412>

Question 1006

Rent control tends to reduce consumer and producer surplus and causes a loss of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859221>

Question 1007

An arrangement whereby an employee does not necessarily have to be a union member to obtain or keep a job is a(n):

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

Answer: <https://biology-forums.com/index.php?topic=860115>

Question 1008

A certain retail store sells six items: A, B, C, D, E, and F. The share of profits attributed to each item is 20%, 16%, 25%, 15%, 10%, and 14% respectively. Which of the following graphs can best be used to illustrate this information?

- A) A concave curve
- B) A convex curve
- C) A pie chart
- D) A line graph

Answer: <https://biology-forums.com/index.php?topic=858633>

Question 1009

Which of the following is true of absolute advantage?

- A) It exists only in closed economies
- B) It is closely related to production costs
- C) It is not related to efficiency in any sense
- D) It is related to resource use

Answer: <https://biology-forums.com/index.php?topic=860358>

Question 1010

A discussion of the determinants of economic growth is more likely to occur in a macroeconomics class, as opposed to a microeconomics class. True or False?

Answer: <https://biology-forums.com/index.php?topic=858608>

Question 1011

The overuse of open-access resources because of unrestricted access is called:

- A) the overuse issue
- B) the non-compliant problem
- C) the common-waste problem
- D) the common-pool problem

Answer: <https://biology-forums.com/index.php?topic=860506>

Question 1012

Which of the following explains why nations benefit from international trade?

- A) The theory of absolute advantage
- B) The theory of comparative advantage
- C) Both A and B
- D) Neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860356>

Question 1013

Which of the following will alleviate poverty?

- A) Productivity improvement
- B) Economic growth
- C) Anti-discrimination laws
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860265>

Question 1014

A solution to the common-pool problem is the imposition of restrictions on the use of open-access resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860570>

Question 1015

The marginal cost curve:

- A) falls continuously
- B) cuts the average total cost curve and the average variable cost curve at their minimum points
- C) cuts the average variable cost curve at a higher level of output than that at which it cuts the average total cost curve
- D) cuts the average variable cost curve at its minimum point

Answer: <https://biology-forums.com/index.php?topic=859644>

Question 1016

Because of the free trade agreement between Canada, the United States, and Mexico, Canada does not export anything to Europe.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860459>

Question 1017

Unfortunately, Canada is not a signatory to the Cancun Agreement.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860592>

Question 1018

In an oligopolistic industry:

- A) all firms must produce identical products
- B) all firms must produce differentiated products
- C) all firms must charge the same price
- D) firms may produce identical or differentiated products

Answer: <https://biology-forums.com/index.php?topic=860007>

Question 1019

Possible objectives of the firm, while a certain level of profits has been reached, include:

- A) sales maximization
- B) the creation of a certain public image
- C) attending to the welfare of consumers
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859486>

Question 1020

Viewed in a relative sense, any substantial unequal distribution of income will give rise to poverty, regardless of the absolute size of the income. True or False?

Answer: <https://biology-forums.com/index.php?topic=860314>

Question 1021

The consumer's demand curve:

- A) is not related to the market demand curve
- B) is not related to utility analysis
- C) can be derived from utility theory
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859299>

Question 1022

The short-run supply curve of a firm in pure competition is:

- A) the section of its AVC curve that lies above its ATC curve
- B) the section of its ATC curve that lies above its MC curve
- C) the section of its MC curve that lies above its ATC curve
- D) the section of its MC curve that lies above its AVC curve

Answer: <https://biology-forums.com/index.php?topic=859780>

Question 1023

Refer to Table 14.3. Country B has an absolute advantage in the production of:

- A) radios and pens
- B) radios only
- C) pens only
- D) neither radios nor pens

Answer: <https://biology-forums.com/index.php?topic=860382>

Question 1024

Consumer surplus is the difference between the amount that consumers would be willing to pay for a commodity and the amount that they actually pay.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859193>

Question 1025

The supply curve is a downward sloping curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858933>

Question 1026

Refer to Figure 6A.2. The new budget line could result from:

- A) An increase in the price of B
- B) A fall in the price of B
- C) An increase in the consumer's income
- D) A decrease in the consumer's income

Answer: <https://biology-forums.com/index.php?topic=859369>

Question 1027

If the price of an item rises, a greater quantity will be supplied. This increase in supply is shown by shifting the supply curve to the right. True or False?

Answer: <https://biology-forums.com/index.php?topic=858942>

Question 1028

Refer to Figure 3.1. At a price of \$4, there is:

- A) a surplus of 10
- B) a surplus of 20
- C) a shortage of 20
- D) a shortage of 40

Answer: <https://biology-forums.com/index.php?topic=858874>

Question 1029

A technique used by employers to win disputes with employees is:

- A) the Rand Formula
- B) the closed shop
- C) a strike
- D) a lockout

Answer: <https://biology-forums.com/index.php?topic=860124>

Question 1030

If Q represents quantity of output, and C represents the cost of production, the cost function can be written as $Q = C(C)$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859673>

Question 1031

The concept of opportunity cost has no relevance to real life decision making.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858775>

Question 1032

Poverty does not exist in Canada because Canada is a rich country with large quantities of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860309>

Question 1033

The marginal benefit (MB) curve for search slopes downward, reflecting the fact that the consumer derives less and less benefit from additional search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860677>

Question 1034

Refer to Table 14.1. Both countries could benefit from trade if:

- A) country A specializes in coffee and country B specializes in computers
- B) country A specializes in computers and country B specializes in coffee
- C) countries A and B both specialize in computers
- D) countries A and B specialize in coffee

Answer: <https://biology-forums.com/index.php?topic=860366>

Question 1035

Refer to Table 14.1. In country B, the opportunity cost of coffee, in terms of computers, is:

- A) zero
- B) 0.00067 of a computer
- C) 1.67 computers
- D) indeterminant

Answer: <https://biology-forums.com/index.php?topic=860363>

Question 1036

Jennifer is purchasing two items, A and B, with a given amount of money. If she finds herself in a position where $MUA/PA > MUB/PB$, she can increase her satisfaction by purchasing less of A and more of B.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859337>

Question 1037

Market structures include:

- A) pure competition
- B) oligopoly
- C) monopolistic competition
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859727>

Question 1038

The cost-benefit approach to decision making involves:

- A) emphasizing benefits and discounting costs
- B) discounting benefits and emphasizing costs
- C) paying attention to opportunity cost
- D) making sure that opportunity cost is zero

Answer: <https://biology-forums.com/index.php?topic=858701>

Question 1039

Myrna has a budget of \$200. She buys good X and good Y whose prices are \$10 and \$20 respectively. The budget line can be derived by joining the points corresponding with:

- A) 10 unit of good X and 5 units of good Y
- B) 20 units of good X and 10 units of good Y
- C) 20 units of good X and 20 units of good Y
- D) 10 units of good X and 20 units of good Y

Answer: <https://biology-forums.com/index.php?topic=859367>

Question 1040

If the demand for a good or service is elastic, then:

- A) a fall in its price will increase total revenue
- B) a fall in its price will reduce total revenue
- C) an increase in its price will increase total revenue
- D) an increase in price will not affect total revenue

Answer: <https://biology-forums.com/index.php?topic=859045>

Question 1041

Poverty can be defined only in an absolute sense.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860306>

Question 1042

The utility maximization rule is also called the equimarginal principle.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859341>

Question 1043

Monopoly reduces consumer surplus, increases producer surplus, and creates a deadweight loss.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859958>

Question 1044

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 1045

Variations in rent are due to:

- A) variations in the supply of land
- B) variations in the demand for land
- C) elastic supply curves of land
- D) elastic demand curves for land

Answer: <https://biology-forums.com/index.php?topic=860137>

Question 1046

In the long run:

- A) the firm has only variable factors
- B) the firm has converted all variable factors to fixed factors
- C) the firm has converted all its fixed factors to variable factors
- D) the firm has both fixed and variable factors

Answer: <https://biology-forums.com/index.php?topic=859510>

Question 1047

Refer to Figure 10.1. To maximize its profits, this firm should:

- A) produce an output of OA and charge a price of ON
- B) produce an output of OB and charge a price of OG
- C) produce an output of OA and charge a price of OJ
- D) produce an output of OP and charge a price of OC

Answer: <https://biology-forums.com/index.php?topic=859880>

Question 1048

If firms in a purely competitive industry are earning positive economic profits, in the long run:

- A) the industry demand curve will fall as new firms enter the industry
- B) the industry supply curve will shift to the right as new firms enter the industry
- C) the demand for the product will increase as the increase in supply lowers the price
- D) the industry demand curve will shift to the right as new firms enter the industry

Answer: <https://biology-forums.com/index.php?topic=859786>

Question 1049

A variable is:

- A) anything used to construct a model
- B) anything whose value cannot be found
- C) anything that can assume different values
- D) found only in mathematical equations

Answer: <https://biology-forums.com/index.php?topic=858523>

Question 1050

If two variables are directly related, a graph showing this relationship will be upward sloping.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858674>

Question 1051

Examples of search goods include:

- A) greeting cards
- B) shoes
- C) fish

D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860634>

Question 1052

Sacha borrowed \$5000 from a bank for one year and paid \$375 in interest for the year. The annual rate of interest was:

- A) 15%
- B) 12.5%
- C) 7.5%
- D) 3.75%

Answer: <https://biology-forums.com/index.php?topic=860144>

Question 1053

Production possibility curves are likely to be linear because resource prices tend to be stable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858791>

Question 1054

The incidence of a tax refers to the distribution of the burden of a tax between consumers and producers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859240>

Question 1055

Oranges and apples are considered to be substitutes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858918>

Question 1056

Refer to Table 6.2. With a budget of \$20, Eddie will maximize his satisfaction by buying:

- A) six chocolate bars and four milk shakes
- B) four chocolate bars and six milk shakes
- C) three chocolate bars and four milk shakes
- D) six chocolate bars and six milk shakes

Answer: <https://biology-forums.com/index.php?topic=859288>

Question 1057

Moral hazard:

- A) results from asymmetric information
- B) can occur only in purely competitive markets
- C) cannot be seen in a changed behaviour of one party to a contract
- D) cannot be reduced or eliminated

Answer: <https://biology-forums.com/index.php?topic=860651>

Question 1058

Assume that labour is the only variable factor. The total product of 10 workers is 65 units of output, and the total product of 15 workers is 80 units of output. At this level of production, the marginal product of labour is:

- A) 5.3
- B) 8.0
- C) 6.5
- D) 3.0

Answer: <https://biology-forums.com/index.php?topic=859521>

Question 1059

A decision to increase the production of capital goods at the expense of consumer goods will shift the production possibility curve to the left in the future.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858806>

Question 1060

Refer to Figure 13.1. The Gini coefficient is:

- A) 360
- B) 31
- C) 0.225
- D) 4.44

Answer: <https://biology-forums.com/index.php?topic=860230>

Question 1061

Suppose the price of product A is reduced from \$9 to \$8 and, as a result, the quantity demanded increases from 50 to 60 units. Demand is:

- A) inelastic
- B) elastic
- C) unitary elastic
- D) indeterminate

Answer: <https://biology-forums.com/index.php?topic=859044>

Question 1062

A supply function details the various functions that suppliers are expected to perform.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858998>

Question 1063

The marginal rate of substitution is:

- A) the rate at which the consumer is willing to trade off units of one commodity for units of another commodity so as to keep his or her level of satisfaction unchanged
- B) the rate at which the consumer is willing to give up money to acquire those commodities that will result in maximum satisfaction
- C) the rate at which a change in the consumer's income affects his or her total utility
- D) the rate at which changes in the prices of the two goods affect the consumer's overall utility

Answer: <https://biology-forums.com/index.php?topic=859383>

Question 1064

Graphs have very limited use in economics because they can only be used to show relationship among variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858664>

Question 1065

Marginal utility:

- A) is the change in total utility caused by consuming an extra unit of a good or service
- B) must always have a positive value
- C) always increases as the consumer consumes more and more of a good or service
- D) must always be greater than total utility

Answer: <https://biology-forums.com/index.php?topic=859259>

Question 1066

The supply of land is irrelevant to the determination of rent.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860195>

Question 1067

Market structures include:

- A) firmopoly
- B) concentrated structure
- C) oligopoly
- D) varied structure

Answer: <https://biology-forums.com/index.php?topic=859728>

Question 1068

The total revenue curve of a monopolist:

- A) is an upward-sloping straight line through the origin
- B) is a horizontal line at the price
- C) starts at the origin, falls, reaches a minimum, and then rises

D) starts at the origin, rises, reaches a maximum, and then falls

Answer: <https://biology-forums.com/index.php?topic=859873>

Question 1069

A price consumption curve shows how falling prices consume the consumer's income, causing him or her to reach a lower indifference curve.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859466>

Question 1070

Which of the following is not a major supplier of Canada's imports?

- A) The United States
- B) Japan
- C) Australia
- D) United Kingdom

Answer: <https://biology-forums.com/index.php?topic=860413>

Question 1071

A change in relative prices will change the slope of the budget line.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859430>

Question 1072

The functional notation is a mathematical tool for expressing relations among variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858652>

Question 1073

Transfer earnings is the amount a factor can earn in the next best employment alternative.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860199>

Question 1074

In an industrial union, the membership comprises:

- A) workers in a given occupation in a variety of industries
- B) workers in a given occupation in a given industry
- C) workers in a variety of occupations in a variety of industries
- D) workers in a variety of occupations in a given industry

Answer: <https://biology-forums.com/index.php?topic=860113>

Question 1075

An increase in the numerical value of the Gini coefficient means that:

- A) a reduction in the inequality in the distribution of income has occurred
- B) an increase in the inequality in the distribution of income has occurred
- C) the Lorenz curve has moved closer to the line of perfect equality in the distribution of income
- D) the Lorenz curve has become flatter

Answer: <https://biology-forums.com/index.php?topic=860233>

Question 1076

The marginal product curve:

- A) is upward sloping throughout
- B) cuts the average product curve at the minimum point of the average product curve
- C) cuts the average product curve at the maximum point of the average product curve
- D) always cuts the average product curve from below

Answer: <https://biology-forums.com/index.php?topic=859523>

Question 1077

A price floor is the lowest price at which a seller is legally allowed to sell an item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859224>

Question 1078

The concept of opportunity cost is useful in both simple and complicated decision making.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858777>

Question 1079

In this question, C = consumer spending, Y = income, r = the rate of interest, and P = prices. From the expression $C = C(Y,r,P)$, we know that:

- A) C is the product of Y, r, and P
- B) any change in C must be caused by a change in P
- C) changes in C will cause changes in Y, r, and P
- D) Y, r, and P are independent variables

Answer: <https://biology-forums.com/index.php?topic=858621>

Question 1080

If a 3% change in price leads to a 5% change in quantity demanded, then demand is:

- A) inelastic
- B) elastic
- C) unitary elastic
- D) perfectly elastic

Answer: <https://biology-forums.com/index.php?topic=859029>

Question 1081

Refer to Figure 9.1. If the price falls to \$10, in order to maximize profits, the firm should produce:

- A) 100 units of output
- B) 55 units of output
- C) 80 units of output
- D) 70 units of output

Answer: <https://biology-forums.com/index.php?topic=859764>

Question 1082

The main benefit of search is:

- A) the utility derived from the goods found
- B) the ultimate reduction in search cost
- C) the probability of success
- D) the lower price found as a result of the search

Answer: <https://biology-forums.com/index.php?topic=860608>

Question 1083

Which of the following is true?

- A) The consumer's opportunity cost increases as more and more time is spent acquiring information
- B) The consumer's opportunity cost decreases as more and more time is spent acquiring information
- C) there is no relationship between opportunity cost and the time spent acquiring information
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860640>

Question 1084

An example of land as an economic resource is:

- A) trees and rivers
- B) hydro-electricity plants
- C) roads and bridges
- D) commercial real estate

Answer: <https://biology-forums.com/index.php?topic=858479>

Question 1085

The income elasticity of demand is measured by:

- A) the percentage change in income divided by the percentage change in quantity demanded
- B) the percentage change in quantity demanded divided by the percentage change in income
- C) the change in price divided by the change in income

D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859074>

Question 1086

The cost function is a relation between:

- A) cost and inputs
- B) inputs and output
- C) price and inputs
- D) cost and output

Answer: <https://biology-forums.com/index.php?topic=859605>

Question 1087

The point of saturation is the point beyond which the marginal product is negative.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859598>

Question 1088

The problem that arises when the agent can take hidden actions that accomplish his or her own objectives, to the detriment of the principal, is referred to as the principal-agent problem.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860720>

Question 1089

Which of the following is true of a public good?

- A) No one can be excluded from its consumption
- B) It may not be produced by private profit-seeking firms
- C) Its consumption by one person does not diminish the amount available to others
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860491>

Question 1090

People buy goods and services mainly because:

- A) goods and services provide utility
- B) goods and services are cheap
- C) we must use our resources wisely
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859253>

Question 1091

If all resources were unlimited and wants were limited:

- A) the economy would experience inflation
- B) the economy would experience severe unemployment
- C) the problem of choice would not exist
- D) everyone would have to work much harder

Answer: <https://biology-forums.com/index.php?topic=858466>

Question 1092

Which of the following is likely to affect the price elasticity of demand for an item?

- A) The availability of substitutes
- B) The percentage of income spent on the item
- C) Whether the item is a luxury or a necessity
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859066>

Question 1093

Which of the following is an advantage of the effluent fee method of reducing the level of pollution?

- A) It is easy to administer since it works through the market mechanism
- B) It leaves polluters free to pursue their objectives
- C) It provides an economic incentive to refrain from polluting

D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860524>

Question 1094

Which of the following is a solution to the common-pool problem?

- A) The elimination of all common pools
- B) Allowing all users free access to all resources
- C) The imposition of restrictions on the use of open-access resources
- D) The privatization of open-access resources

Answer: <https://biology-forums.com/index.php?topic=860507>

Question 1095

The rate of interest is determined by the demand for and supply of loanable funds.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860208>

Question 1096

A firm in pure competition has no control over the market price of its product, and is thus a price-taker.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859804>

Question 1097

The line joining the points of tangency between budget lines and indifference curves as the price of one of the items changes is called:

- A) the extended price line
- B) the price consumption curve
- C) the consumer's preferred path
- D) the income consumption curve

Answer: <https://biology-forums.com/index.php?topic=859415>

Question 1098

The firm's total cost in the short run consists of its fixed and variable costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859687>

Question 1099

Which of the following is not a condition for maximum satisfaction from a given budget?

- A) The marginal rate of substitution equals the ratio of the prices of the goods
- B) The budget line is tangent to an indifference curve
- C) The consumer can reach the highest curve on the indifference map, even beyond the budget line
- D) The consumer has no interest in selecting an alternative combination

Answer: <https://biology-forums.com/index.php?topic=859396>

Question 1100

Refer to Figure 6A.4. The combination that is unaffordable to Rene is:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859401>

Question 1101

The product market is also referred to as the goods and services market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858817>

Question 1102

A change in quantity demanded, when there is no change in demand, can be explained by:

- A) a change in the price of the product
- B) a change in income

- C) a change in the price of a related good
- D) a change in consumer tastes and preferences

Answer: <https://biology-forums.com/index.php?topic=858852>

Question 1103

The fundamental questions of microeconomics are:

- A) what goods and services to produce, how to produce them, and how they should be distributed among the members of society
- B) why price levels are so high and still rising, how to get more people into the labour force, and how to get the government to reduce taxes
- C) how to eliminate pollution and to provide a satisfactory standard of living for citizens
- D) how to increase economic growth, lower inflation, and lower the unemployment rate

Answer: <https://biology-forums.com/index.php?topic=858746>

Question 1104

The circular flow refers to:

- A) the flow of resources, goods and services, expenditures, and income between sectors of the economy
- B) the flow of immigrants throughout North America
- C) the flow of imports into, and the flow of exports from, a country
- D) the business cycle

Answer: <https://biology-forums.com/index.php?topic=858754>

Question 1105

The model of the kinked demand curve assumes that if a firm raises its price, other firms in the industry will also raise their prices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860082>

Question 1106

The demand for a product has an elasticity coefficient of 1.5. This means that a 5% fall in price:

- A) will make the product inelastic
- B) will make the product elastic
- C) will cause demand to rise by 7.5%
- D) will cause quantity demanded to increase by 7.5%

Answer: <https://biology-forums.com/index.php?topic=859036>

Question 1107

Refer to Figure 3.1. At a price of \$8, there is:

- A) a shortage of 20
- B) a shortage of 40
- C) a surplus of 40
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858873>

Question 1108

A movement along the demand curve can be caused by:

- A) a change in the price of the product
- B) a change in income
- C) a change in the price of a related product
- D) more consumers in the market

Answer: <https://biology-forums.com/index.php?topic=858851>

Question 1109

To maximize profits, the firm can choose that level of output at which the difference between total revenue and total cost is greatest.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859816>

Question 1110

Because of the history of Canada's economic development, most of Canada's imports come from the United Kingdom.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860461>

Question 1111

A Giffen good is a good such that as its price falls, its demand also falls and vice versa, resulting in an upward sloping demand curve.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859468>

Question 1112

Refer to Figure 2.1 above. For this pp-curve, opportunity costs are:

- A) decreasing
- B) constant
- C) increasing
- D) indeterminant

Answer: <https://biology-forums.com/index.php?topic=858729>

Question 1113

In production theory, the short run is:

- A) a situation in which the firm has at least one fixed factor
- B) a situation in which the firm must quickly vary all its inputs
- C) a period less than one year
- D) a period of three months or less

Answer: <https://biology-forums.com/index.php?topic=859507>

Question 1114

At the point of saturation the fixed factors are saturated (swamped) with the variable factor to the extent that total productivity actually declines.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859599>

Question 1115

Comparative advantage is:

- A) a comparison of the export/import ratios of trading partners
- B) a measure of the competitive position, in terms of market share, of different countries
- C) the ability of one country to produce an item at a lower opportunity cost than another country can
- D) the differences in profit margin earned in the domestic market when comparing two countries

Answer: <https://biology-forums.com/index.php?topic=860374>

Question 1116

A tax or duty specified as a fixed amount per unit of the imported item is called:

- A) a revenue tariff
- B) an ad valoren tariff
- C) a specific tariff
- D) a compound tariff

Answer: <https://biology-forums.com/index.php?topic=860417>

Question 1117

Distributing income according to need is unlikely to have any negative effects on incentive to work.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860284>

Question 1118

The total profit curve:

- A) tends to fall, reach a minimum and then rise
- B) reaches a maximum at the break-even level of output
- C) tends to rise, reach a maximum and then fall
- D) is an upward sloping straight line that is parallel to the total revenue curve

Answer: <https://biology-forums.com/index.php?topic=859745>

Question 1119

If demand is elastic, what is true about the coefficient of elasticity?

- A) Ed equals infinity

- B) Ed is greater than 1 but less than infinity
- C) Ed is equal to 1
- D) Ed is less than 1 but greater than 0

Answer: <https://biology-forums.com/index.php?topic=859023>

Question 1120

Once a public good is produced, it is generally impossible to exclude anyone from enjoying the benefits it provides.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860553>

Question 1121

Profit is defined as:

- A) total revenue minus total cost
- B) total receipts from sales
- C) total sales less taxes
- D) the number of units sold multiplied by the price per unit

Answer: <https://biology-forums.com/index.php?topic=859483>

Question 1122

The lemon problem suggests that:

- A) eventually, the market will be dominated by defected products
- B) eventually, the market will be free of lemons
- C) high quality and defective goods can co-exist for very long periods of time when there is asymmetric information
- D) ultimately, there is no way of knowing which products are true lemons

Answer: <https://biology-forums.com/index.php?topic=860646>

Question 1123

Refer to Figure 5.3. If the minimum wage is established at \$2 per hour, the level of unemployment is:

- A) 10 000
- B) 20 000
- C) 40 000
- D) 0

Answer: <https://biology-forums.com/index.php?topic=859165>

Question 1124

Which of the following statements is correct?

- A) A change in quantity demanded implies a change in demand and a shift of the entire demand curve
- B) A change in quantity demanded implies a change in demand and a movement along a given demand curve
- C) A change in demand implies a shift of the demand curve and a change in quantity demanded
- D) A change in demand implies a shift of the demand curve but no change in quantity demanded at any given price

Answer: <https://biology-forums.com/index.php?topic=858855>

Question 1125

When a given percentage change in price leads to a less than proportional change in quantity demanded, then demand is:

- A) elastic
- B) unitary elastic
- C) inelastic
- D) perfectly elastic

Answer: <https://biology-forums.com/index.php?topic=859028>

Question 1126

The principal-agent problem is:

- A) the problem that arises when an employee reports to more than one supervisor
- B) the problem caused by having too many principals and not enough agents in an agreement
- C) the problem caused by having too many agents and not enough principals in an agreement
- D) the problem that arises when the agent can take hidden actions that accomplish the agent's objectives to the detriment of the principal

Answer: <https://biology-forums.com/index.php?topic=860662>

Question 1127

X-inefficiency includes:

- A) padding expense accounts
- B) putting unproductive relatives on the payroll
- C) keeping on unproductive workers out of loyalty
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859889>

Question 1128

On a graph, the point (1,5) would appear in the first quadrant.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858671>

Question 1129

According to the contribution criterion of income distribution, income should be distributed according to productivity.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860281>

Question 1130

Market failure refers to situations where markets fail to clear, resulting in shortages or surpluses.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860539>

Question 1131

If the coefficient of the price elasticity of demand is 2, this means that:

- A) a 5% fall in price will result in a 10% increase in quantity demanded
- B) a 5% increase in income will lead to a 10% increase in quantity demanded
- C) a 5% fall in price will lead to a 2.5% increase in quantity demanded
- D) a 5% rise in income will lead to a 2.5% fall in quantity demanded

Answer: <https://biology-forums.com/index.php?topic=859037>

Question 1132

The supply curve of labour shows the number of units of labour offered at each possible wage rate.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860166>

Question 1133

Refer to Figure 4.1. The coefficient of price elasticity of demand is zero at all points along:

- A) D1
- B) D
- C) D2
- D) D3

Answer: <https://biology-forums.com/index.php?topic=859033>

Question 1134

If the coefficient of price elasticity of demand is 1.67, then the demand is elastic.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859089>

Question 1135

Rent control will shift the demand curve for housing to the right and shift the supply of housing to the left.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859217>

Question 1136

A price ceiling, if it is set below the equilibrium price, will result in:

- A) the equilibrium price because of the interaction of demand and supply
- B) a shortage
- C) a surplus
- D) inflation

Answer: <https://biology-forums.com/index.php?topic=859151>

Question 1137

Defining the demand for labour as a derived demand means that:

- A) the demand for labour depends on the demand for the output which labour is used to produce
- B) people derive satisfaction directly from labour services
- C) the demand for labour services is the derivative of the total demand for labour
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860097>

Question 1138

If output is zero:

- A) total cost must be zero
- B) total variable cost must be zero
- C) total fixed cost must be zero
- D) marginal cost is increasing

Answer: <https://biology-forums.com/index.php?topic=859628>

Question 1139

The market in which firms purchase equipment and machinery is an example of a factor market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858818>

Question 1140

By utility, economists mean:

- A) the number of things for which an item can be used
- B) the satisfaction derived from consuming commodities
- C) the satisfaction of being politically correct
- D) bills sent out by electricity and telephone companies

Answer: <https://biology-forums.com/index.php?topic=859245>

Question 1141

Other things being equal, a fall in supply will result in an increase in equilibrium price and a fall in the quantity exchanged.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858951>

Question 1142

A natural monopoly is a market situation in which:

- A) all firms sell natural resources
- B) a single firm supplies natural resources to an entire industry
- C) a single firm can supply the market output more efficiently than many firms
- D) a single firm is located in the only region where sufficient demand for a particular good exists

Answer: <https://biology-forums.com/index.php?topic=859864>

Question 1143

The larger the share of an item in the consumer's budget. The more elastic its demand is likely to be.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859104>

Question 1144

Exogenous variables are so called because they have no effect on the endogenous variables of the model.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858594>

Question 1145

A downward sloping demand curve has a coefficient of elasticity that is:

- A) positive but less than 1
- B) positive and greater than 1
- C) negative

D) indeterminate

Answer: <https://biology-forums.com/index.php?topic=859016>

Question 1146

Refer to Figure 8.1. At an output level of OE, the total variable cost is represented by the rectangle:

- A) OPSE
- B) PRQS
- C) ORQE
- D) OFGE

Answer: <https://biology-forums.com/index.php?topic=859655>

Question 1147

Fixed costs are incurred:

- A) only in the long run
- B) both in the long run and in the short run
- C) only if production occurs
- D) in the short run even if production is zero

Answer: <https://biology-forums.com/index.php?topic=859630>

Question 1148

An example of a good which is classified as a Giffen good is:

- A) steak
- B) potatoes
- C) gold
- D) cold medicine

Answer: <https://biology-forums.com/index.php?topic=859420>

Question 1149

If an economic externality results in some benefit, it is called an external economy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860551>

Question 1150

Owners of apartment buildings collect rent from their tenants; therefore apartment buildings are classified as land.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858560>

Question 1151

A concave production possibility curve illustrates:

- A) inefficiency in the use of resources
- B) optimum resource allocation
- C) increasing opportunity cost
- D) technological change

Answer: <https://biology-forums.com/index.php?topic=858731>

Question 1152

When average product is at its maximum, average variable cost is at its minimum.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859711>

Question 1153

Price discrimination is only profitable if:

- A) the monopoly is a natural monopoly
- B) the competitive structure is purely competitive
- C) the price elasticity of demand in each market is different
- D) the price elasticity of demand in each market is the same

Answer: <https://biology-forums.com/index.php?topic=859915>

Question 1154

A firm with significant market power may be able to earn positive economic profits even in the long run because of effective barriers to entry, such as patent rights, economies of scale, and limit-pricing techniques.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860211>

Question 1155

Which of the following is not an example of a real flow?

- A) The flow of goods and services
- B) The flow of land
- C) The flow of real capital such as buildings
- D) The flow of money such as wages

Answer: <https://biology-forums.com/index.php?topic=858763>

Question 1156

Most economic decisions involve opportunity cost but are not concerned with the acquisition of benefits at some cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858780>

Question 1157

The slope of a straight line can be measured by:

- A) the difference between the vertical and the horizontal distances
- B) the vertical distance divided by the horizontal distance between any two points
- C) the sum of the vertical and horizontal distances
- D) the horizontal distance divided by the vertical distance

Answer: <https://biology-forums.com/index.php?topic=858636>

Question 1158

Which of the following would be classified as real flows in the simple circular flow model:

- A) raw materials
- B) wages
- C) profit
- D) dividends

Answer: <https://biology-forums.com/index.php?topic=858765>

Question 1159

Which of the following statements about exogenous variables is correct?

- A) They have no place in scientific economics
- B) Their values are determined within a model
- C) Their values are pre-determined outside a model
- D) They have a constant value

Answer: <https://biology-forums.com/index.php?topic=858525>

Question 1160

Search goods are goods whose quality can be determined by inspection at the time of purchase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860694>

Question 1161

Gains from international trade can include increased efficiency, and economies of scale.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860450>

Question 1162

The quantity that people will be willing and able to buy at a specific price is referred to as quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858897>

Question 1163

The first step in understanding the functional notation is to learn to solve equations.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858651>

Question 1164

If all nations were equally endowed with all resources:

- A) there would be no economic reason for international trade
- B) nations would still trade in order to enrich themselves
- C) there would be tremendous differences in production costs so nations would trade among themselves
- D) trade could create an absolute advantage in some countries

Answer: <https://biology-forums.com/index.php?topic=860352>

Question 1165

The rate at which a country's exports are exchanged for its imports defines:

- A) the exchange rate
- B) the terms of trade
- C) the balance of trade
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860377>

Question 1166

If the distribution of income is perfectly equal, the Gini coefficient will have a value of 1.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860299>

Question 1167

Refer to Table 7.3. EER(A) is:

- A) 0.13
- B) 7.30
- C) 3.65
- D) 0.27

Answer: <https://biology-forums.com/index.php?topic=859501>

Question 1168

Refer to Figure 10.3. To maximize profits, this firm should produce an output of 73 units and charge a price of \$11.50.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859941>

Question 1169

Which of the following is an example of an economic forecast?

- A) If the money supply increases, the rate of interest will fall
- B) A fall in the rate of interest will cause an increase in the level of investment
- C) A reduction in personal income taxes in Canada will lead to an increase in imports of goods and services into Canada
- D) The value of the Canadian dollar will be US\$1.08 by the end of June next year

Answer: <https://biology-forums.com/index.php?topic=858515>

Question 1170

If a monopolist finds that at a given price, the demand for its product is inelastic, it can increase its profit by raising its price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859950>

Question 1171

The only economic effect of minimum wage legislation is that it results in a surplus of workers in the labour market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859229>

Question 1172

The lemon problem can be resolved if the party lacking information can acquire more information.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860705>

Question 1173

An upward sloping curve shows that two variables are inversely related.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858675>

Question 1174

Total cost may be obtained by:
A) adding total fixed cost and total variable cost
B) multiplying average total cost by quantity
C) $TC = TFC + TVC$
D) all the above

Answer: <https://biology-forums.com/index.php?topic=859646>

Question 1175

An increase in technology shifts the marginal cost curve up and to the left (due to higher costs) and therefore reduces search time.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860688>

Question 1176

Aggregate output is an important issue because:
A) it helps policy makers make decisions about monetary policy
B) it is directly related to standard of living
C) it gives information about the distribution of income
D) it provides an indication of inflation

Answer: <https://biology-forums.com/index.php?topic=858750>

Question 1177

Assume a concave production possibilities curve with a consumer good on the y-axis and a capital good on the x-axis. An improvement in technology used in the capital goods industry will cause the pp-curve to:
A) shift out parallel to itself
B) shift in parallel to itself
C) pivot out around the y-intercept
D) pivot out around the x-intercept

Answer: <https://biology-forums.com/index.php?topic=858740>

Question 1178

Which of the following does not explicitly state the principle of opportunity cost?
A) If I attend college full-time, I must give up some earned income
B) I spent \$8000 for tuition last year
C) If a fully employed economy wants to produce more of some goods, it must produce less of other goods
D) If I spend more time watching TV, I will have less time to devote to my courses

Answer: <https://biology-forums.com/index.php?topic=858708>

Question 1179

A firm is earning positive economic profits as long as its price is above its average total cost.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859830>

Question 1180

Those variables whose values are determined within the model are called endogenous variables.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858592>

Question 1181

Which of the following is regulated by production quotas in Canada?
A) Chicken
B) Milk and cream
C) Eggs

D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859170>

Question 1182

A supply function is a mathematical way of expressing the relationship between supply and price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859000>

Question 1183

All expenses (tuition fees, transportation, books, room and board, etc.) incurred in attending college amount to \$10 000 annually. Instead of attending college, you could have taken a job which pays \$15 000 a year. Your total cost of attending college is:

- A) \$10 000 a year
- B) \$15 000 a year
- C) \$25 000 a year
- D) \$5 000 a year

Answer: <https://biology-forums.com/index.php?topic=858707>

Question 1184

The nominal rate of interest is the real rate of interest less an adjustment for inflation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860209>

Question 1185

By restricting the entry of newcomers into certain occupations and professions, a union is trying to increase the demand for labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860191>

Question 1186

The budget line is downward sloping showing that the consumer's satisfaction falls as prices rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859433>

Question 1187

Price discrimination is an attempt to:

- A) sell as much as possible
- B) capture as much as possible of the consumers' surplus
- C) make the price affordable to all buyers
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859914>

Question 1188

Among the disadvantages associated with oligopolies are excess profits and the misallocation of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860093>

Question 1189

A disadvantage of the free enterprise system arises from the provision of common or public goods. It is difficult to exact a price from the use of these goods and, therefore, private individuals are not motivated to provide them.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860743>

Question 1190

If the cost of eliminating pollution were zero, the optimal level of pollution would be:

- A) zero
- B) that which would allow us to maximize our total output
- C) that which the environment could tolerate
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860509>

Question 1191

The short-run total cost and total variable cost curves are parallel.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859693>

Question 1192

Microeconomics is the branch of economics that examines the behaviour of individual economic units.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858603>

Question 1193

The prisoner's dilemma occurs when two prisoners are caught in a situation in which it is difficult to cooperate even when cooperation is beneficial to both prisoners.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860090>

Question 1194

A profit-seeking monopolist will operate where:

- A) its demand is perfectly elastic
- B) its demand is elastic
- C) its demand is inelastic
- D) its demand is perfectly inelastic

Answer: <https://biology-forums.com/index.php?topic=859897>

Question 1195

Factors which are used in wage negotiations are cost of living, productivity, and profitability.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860186>

Question 1196

A change in a non-price determinant of a good will cause the demand curve to shift.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858911>

Question 1197

Black market transactions occur when a price ceiling is implemented, but not when a price floor is established.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859231>

Question 1198

Switzerland's expertise in watchmaking has afforded them a comparative advantage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860446>

Question 1199

Refer to table 14.2 to answer this question. What is the cost of a kilogram of oats (in terms of barley) in Country A?

- A) 0.4 kg. of barley
- B) 2.5 kg. of barley
- C) 1.67 kg. of barley
- D) 2 kg. of barley

Answer: <https://biology-forums.com/index.php?topic=860368>

Question 1200

Which of the following is true of the utility concept?

- A) It applies to goods but not to services
- B) It can be precisely measured because people are rational
- C) It is a rather concrete concept and lends itself easily to exact measurement

D) It is a psychological concept that cannot be precisely measured

Answer: <https://biology-forums.com/index.php?topic=859249>

Question 1201

Total product is the maximum quantity of output that a firm can produce during a period of time.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859579>

Question 1202

The substitution effect is:

- A) the effect on quantity demanded caused by people switching to or from an item as its price changes
- B) the fact that buyers will substitute whenever their incomes change
- C) the effect on demand when buyers substitute one good for another as population grows
- D) the effect caused by shifts in the demand curve when price changes

Answer: <https://biology-forums.com/index.php?topic=858839>

Question 1203

In economics, resources such as forests, wildlife, rivers, and oceans are classified as land.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858556>

Question 1204

In which of the following cases will total revenue fall?

- A) Price rises and demand is inelastic
- B) Price rises and demand is elastic
- C) Price falls and demand is elastic
- D) Price rises and demand is unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859047>

Question 1205

Refer to Table 7.1. The methods that are technically efficient are:

- A) A and B
- B) A and C
- C) B and C
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859492>

Question 1206

A tax on the rental portion of income from a factor will:

- A) make its supply more elastic
- B) reduce its supply to zero
- C) cause the factor to shift to another use
- D) not affect the allocation of the factor

Answer: <https://biology-forums.com/index.php?topic=860143>

Question 1207

A production possibility schedule is a tabular representation of an economy's production possibilities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858790>

Question 1208

The cap-and-trade system:

- A) does result in a reduction in pollution
- B) provides strict environmental accountability
- C) does not restrain growth
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860533>

Question 1209

An economic model:

- A) is necessarily mathematical
- B) may be expressed verbally
- C) must employ a graphical procedure
- D) does not require assumptions

Answer: <https://biology-forums.com/index.php?topic=858506>

Question 1210

Which of the following is not likely to be a fixed cost?

- A) Property insurance costs
- B) Interest payments on loans
- C) Property taxes
- D) Payments for raw materials

Answer: <https://biology-forums.com/index.php?topic=859622>

Question 1211

If average product is falling:

- A) marginal product must be falling
- B) marginal product must be negative
- C) marginal product must be less than average product
- D) total product must be falling

Answer: <https://biology-forums.com/index.php?topic=859529>

Question 1212

The study of unemployment rates of adult women, aged 18-55 would be considered:

- A) a microeconomic topic
- B) a macroeconomic topic
- C) a human capital topic
- D) an econometrics study

Answer: <https://biology-forums.com/index.php?topic=858535>

Question 1213

The graphs that show no relationship between two variables are either vertical or horizontal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858677>

Question 1214

If A and B are independent, then their cross-price elasticity of demand is zero.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859114>

Question 1215

For whom to produce refers to the distribution of goods and services among the various members of society.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858809>

Question 1216

China's economic system is widely recognized as being communist; however, there has been a perceptible shift towards deregulation and a movement towards a market economy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860754>

Question 1217

Lack of adequate information about products and prices:

- A) does not create a problem in the market system
- B) can cause market players to make poor decisions
- C) always leads to the maximization of profits and satisfaction
- D) gives producers and consumers an advantage in the market because too much information is often confusing

Answer: <https://biology-forums.com/index.php?topic=860481>

Question 1218

Economists use both graphs and tables to explain relationships because:

- A) data contained in tables cannot be shown on graphs
- B) data contained in tables are unrelated to graphs
- C) graphs can show relationships among variables, while tables cannot
- D) graphs and tables can show the same relationship

Answer: <https://biology-forums.com/index.php?topic=858624>

Question 1219

Sunk costs are costs that have already been incurred and cannot be recaptured.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859679>

Question 1220

If the price of a product falls, other things being equal, the demand for the product will increase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858904>

Question 1221

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 1222

One way of distinguishing stocks from flows is to recognize that stocks are constants, while flows are variable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858599>

Question 1223

In monopolistic competition, resources are optimally allocated because the firms operate where $P = MC$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860057>

Question 1224

Social assistance programs that provide minimum levels of income to those in need are all programs under the federal government—the provincial and territorial governments do not offer social assistance programs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860340>

Question 1225

If the price of apples increases, relative to the price of pears, there will be an increase in the quantity of apples supplied as some pear farmers convert their fields into apple orchards.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858931>

Question 1226

The minimum wage rate is constant across all Canadian provinces.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859208>

Question 1227

If the consumer is in equilibrium, other things being equal:

- A) an increase in income will have no effect on the equilibrium position
- B) an increase in income will enable the consumer to attain a higher level of satisfaction

C) an increase in income will shift the indifference curves out from the origin
D) an increase in income will result in a rotation of the budget line to a new equilibrium position
Answer: <https://biology-forums.com/index.php?topic=859409>

Question 1228

The main difference between goods and services is that goods are tangible while services are intangible.
True or False?
Answer: <https://biology-forums.com/index.php?topic=858551>

Question 1229

Which of the following statements is correct?
A) Utility remains constant from individual to individual
B) Utility is subject to interpersonal comparison
C) Utility varies from individual to individual
D) None of the above
Answer: <https://biology-forums.com/index.php?topic=859254>

Question 1230

An indifference curve shows all combinations of two commodities that a consumer can buy for the same amount of money.
True or False?
Answer: <https://biology-forums.com/index.php?topic=859448>

Question 1231

A demand for a product exists provided that:
A) people would like to have the product
B) people can afford to buy the product
C) people are willing and able to buy the product
D) firms are willing to sell the product
Answer: <https://biology-forums.com/index.php?topic=858827>

Question 1232

Which of the following would result in an outward shift of the economy's production possibility curve?
A) Workers who were previously unemployed are hired
B) New immigrants enter the country but are currently unemployed
C) The economy increases its food production by shifting resources away from the production of machines
D) The economy puts idle resources to work
Answer: <https://biology-forums.com/index.php?topic=858736>

Question 1233

Mediation is just another name for arbitration.
True or False?
Answer: <https://biology-forums.com/index.php?topic=860179>

Question 1234

An insurance company can reduce the problem of moral hazard by:
A) collecting information on the medical history of potential clients
B) requiring applicants to pass a medical examination
C) including a deductible clause in the insurance contract
D) all of the above
Answer: <https://biology-forums.com/index.php?topic=860652>

Question 1235

If the average revenue curve is downward sloping, then the marginal revenue curve is:
A) negative
B) above the average revenue curve and is also downward sloping
C) below the average revenue curve
D) none of the above
Answer: <https://biology-forums.com/index.php?topic=859872>

Question 1236

Refer to Figure 5.1. In which diagram is the area of producer surplus correctly shaded?

- A) Diagram A
- B) Diagram B
- C) Diagram C
- D) Diagram D

Answer: <https://biology-forums.com/index.php?topic=859142>

Question 1237

A high correlation between two variables does not establish a cause-effect relationship between them.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858600>

Question 1238

The low-income cut off or poverty line established by Statistics Canada varies according to:

- A) the size of the family unit
- B) the size of the area of residence
- C) rural or urban setting
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860243>

Question 1239

The Transit Commission of Nodnol (a fictitious city) decides to raise its passenger fares in order to reduce its deficit. This suggests that the Commission believes that the demand for public transportation in Nodnol is:

- A) inelastic
- B) elastic
- C) unitary elastic
- D) perfectly inelastic

Answer: <https://biology-forums.com/index.php?topic=859054>

Question 1240

Microeconomics is concerned with:

- A) how specific prices are determined
- B) the overall level of prices
- C) total income and total employment in an economy
- D) the impact of the money supply on aggregate supply

Answer: <https://biology-forums.com/index.php?topic=858533>

Question 1241

Refer to Figure 6A.4. For Rene, we can say that:

- A) combination D is preferred to combination A
- B) combination D is preferred to combination B
- C) combination C is preferred to combination B
- D) combination C is preferred to combination D

Answer: <https://biology-forums.com/index.php?topic=859403>

Question 1242

When average product rises:

- A) average variable cost also rises
- B) average variable cost falls
- C) marginal cost is above average variable cost
- D) average variable cost also rises, but at a slower rate than the rate of increase in average product

Answer: <https://biology-forums.com/index.php?topic=859659>

Question 1243

Each consumer's surplus is independent of the price that he or she is willing to pay.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859200>

Question 1244

A monopolist has significant control over the price of the product it sells.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859808>

Question 1245

To minimize cost, the firm must satisfy the following condition:

$MPK / PK = MPL / PL$

True or False?

Answer: <https://biology-forums.com/index.php?topic=859600>

Question 1246

Refer to Figure 6A.4. For Rene, which combination is affordable?

- A) A
- B) C
- C) D
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859404>

Question 1247

Economists have found a way to measure satisfaction objectively and to make it subject to interpersonal comparison.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859312>

Question 1248

The existence of absolute advantage:

- A) renders international trade pointless
- B) makes international trade beneficial to only the country who lacks the advantage
- C) makes international trade beneficial to only the country who has the advantage
- D) makes international trade beneficial to both trading partners

Answer: <https://biology-forums.com/index.php?topic=860359>

Question 1249

If M is the money supply and r is the rate of interest, then the expression $r = r(M)$ means that:

- A) if the rate of interest changes, the money supply will change as a result
- B) the rate of interest must always be multiplied by the money supply
- C) the money supply depends on the rate of interest
- D) the rate of interest is a function of the money supply

Answer: <https://biology-forums.com/index.php?topic=858614>

Question 1250

Which of the following is an important factor in wage negotiations?

- A) The cost of living
- B) An increase in the quality of union members
- C) The profitability of the business
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860130>

Question 1251

The composition of Canada's exports is determined largely by:

- A) legislation
- B) the preferences of Canadian consumers
- C) both A and B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860399>

Question 1252

Planning a two-day ski trip at Blue Mountain will likely involve far more search time than planning a two-week ski vacation for the family to Whistler,

B.C.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860684>

Question 1253

Because of the law of demand, the coefficient of the price elasticity of demand is negative.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859086>

Question 1254

If a monopolistic firm is earning positive economic profits, we know that its price is greater than its average total cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859940>

Question 1255

A purely competitive firm will be in long run equilibrium when it is operating where total revenue is greater than total cost, that is, where profits are positive.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859842>

Question 1256

Until 1948 women were not permitted an active combat role in the U.S. military. This is an example of:

- A) wage discrimination
- B) occupational discrimination
- C) race discrimination
- D) employment discrimination

Answer: <https://biology-forums.com/index.php?topic=860260>

Question 1257

A country is said to have an absolute advantage over another country in the production of a good if:

- A) it can produce the good at a lower opportunity cost than the other country can
- B) it can sell the good at a higher price than the other country can
- C) it sells the good at a lower price than the other country does
- D) the profit margins are different when the two countries sell the good in their home country

Answer: <https://biology-forums.com/index.php?topic=860357>

Question 1258

The extra benefit derived from searching:

- A) declines as additional searches are made
- B) increases as additional searches are made
- C) remains constant as additional searches are made
- D) is unrelated to the number of searches made

Answer: <https://biology-forums.com/index.php?topic=860611>

Question 1259

The objectives of the Cancun Agreement include:

- A) establishing the Green Climate Fund
- B) setting peak emissions and a target to limit temperature rise
- C) stopping the destruction of trees
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860538>

Question 1260

The solution to the common-pool problem is to sell those resources that are classified as open-access to private individuals, companies, or the government and let them decide on pricing.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860567>

Question 1261

Total cost and total fixed cost are identical when:

- A) output is zero
- B) output is at its maximum
- C) total output begins to fall
- D) total output reaches a maximum

Answer: <https://biology-forums.com/index.php?topic=859629>

Question 1262

If I derive 10 units of utility from an apple but only 7 units from an orange, then I know that:

- A) the price of an apple exceeds the price of an orange
- B) the price of an orange exceeds that of an apple
- C) I spend of my income more on apples than on oranges
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859258>

Question 1263

The main difference between goods and services is that:

- A) goods are tangible, while services are intangible
- B) services are tangible, while goods are intangible
- C) goods give satisfaction, while services do not
- D) services give satisfaction, while goods do not

Answer: <https://biology-forums.com/index.php?topic=858481>

Question 1264

The economic significance of the concept of consumer surplus is that:

- A) firms can charge whatever price they choose and consumer just have to pay
- B) consumers always have the final say in any pricing decisions
- C) consumers often derive greater benefits from a good or service than is suggested by the price of the good or service
- D) the concern that monopolists have an unfair advantage over consumers in all cases is correct

Answer: <https://biology-forums.com/index.php?topic=859144>

Question 1265

People are poor, in an absolute sense, if:

- A) their incomes are lower than those of other people in the community
- B) they cannot afford to buy everything they want
- C) their incomes are below a certain level called the poverty line
- D) they are unable to contribute to any retirement plan, including the CPP

Answer: <https://biology-forums.com/index.php?topic=860240>

Question 1266

Absolute poverty is difficult to define because:

- A) it is difficult to define minimum comfort
- B) the government is unwilling to admit it exists
- C) it is easy to confuse it with relative poverty
- D) it is impossible to obtain relevant statistics

Answer: <https://biology-forums.com/index.php?topic=860238>

Question 1267

If the demand for a product is perfectly inelastic, an increase in price will result in an infinitely large decrease in quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859093>

Question 1268

If average variable cost is rising:

- A) marginal cost must be falling
- B) marginal cost must be less than average variable cost
- C) marginal cost must be greater than average variable cost
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859637>

Question 1269

Refer to Table 7.1. The method that is technically inefficient is:

- A) A
- B) B
- C) C
- D) they are all technically inefficient

Answer: <https://biology-forums.com/index.php?topic=859491>

Question 1270

The algebraic approach to market analysis can give greater precision and is often easier than a tabular or graphical analysis.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858987>

Question 1271

The short-run competitive industry supply curve is derived by adding horizontally the relevant section of the marginal cost curves of all the firms in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859838>

Question 1272

If the demand for a product is elastic, a small reduction in its price will cause total revenue to rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859095>

Question 1273

A production-possibility schedule is:

- A) a graph that shows the amount of goods produced by an economy
- B) a table that shows various combinations of goods and/or services that can be produced under certain conditions
- C) an equation showing maximum production capabilities under given conditions
- D) a table that shows various combinations of demand and production levels over a range of prices

Answer: <https://biology-forums.com/index.php?topic=858715>

Question 1274

Which of the following disciplines is considered a social science?

- A) economics
- B) biology
- C) physics
- D) chemistry

Answer: <https://biology-forums.com/index.php?topic=858476>

Question 1275

A feature of a public good is that:

- A) it raises revenue for the government
- B) it does not involve the government in any way
- C) it bestows collective benefits on society
- D) it is exclusively provided by a monopoly

Answer: <https://biology-forums.com/index.php?topic=860493>

Question 1276

Dumping is the practice of selling a product in foreign countries more cheaply than the domestic price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859965>

Question 1277

A factor market is:

- A) a market in which households sell resources to firms
- B) a market where households purchase goods and services from the firms
- C) a market in which only equilibrium prices cannot prevail

D) a market prescribed by the government for the sale of goods and services

Answer: <https://biology-forums.com/index.php?topic=858758>

Question 1278

The demand for products in a product line with many competing brands tends to be inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859099>

Question 1279

Comparative advantage focuses on:

- A) resource endowment
- B) market size
- C) production cost
- D) opportunity cost

Answer: <https://biology-forums.com/index.php?topic=860375>

Question 1280

By assuming "other things equal," economists can:

- A) examine the effects of one variable while holding others constant
- B) examine the effects of all variables simultaneously
- C) make economics an exact science
- D) use empirical evidence to validate a model

Answer: <https://biology-forums.com/index.php?topic=858512>

Question 1281

Between 2005 and 2009 Canada's exports of automobile products fell from approximately \$88 billion to \$44 billion, a decrease of over 50 percent. The reason for this has to do with:

- A) the increased use of public transportation in the United States
- B) the trade embargo on car parts issued by the United States
- C) the global recession
- D) the depreciation of the Canadian dollar, in terms of the US dollar over that same period

Answer: <https://biology-forums.com/index.php?topic=860403>

Question 1282

Which of the following is true of asymmetric information?

- A) It may be on the side of the seller
- B) It may be on the side of the buyer
- C) It can lead to market distortions
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860643>

Question 1283

If all consumers follow the same rule of optimizing search time, they will end up paying exactly the same price for an item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860685>

Question 1284

If the demand for an item is perfectly elastic, the incidence of an excise tax will be borne entirely by the producers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859241>

Question 1285

In the short run, the firm has no variable factors. It has only fixed factors.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859571>

Question 1286

In order to understand world affairs, one must study political science or history because economics is not useful in a global context.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858538>

Question 1287

The term X-inefficiency is used to describe the condition that exists when a firm fails to use its resources in their most economically efficient way.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859947>

Question 1288

A demand function is a mathematical way of expressing the relationship between demand and price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858989>

Question 1289

All of the following are likely causes of poverty except:

- A) mental disability
- B) low productivity
- C) divorce
- D) wage discrimination

Answer: <https://biology-forums.com/index.php?topic=860256>

Question 1290

According to the principle of absolute advantage, two countries cannot gain mutually from international trade.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860430>

Question 1291

Which of the following is false?

- A) Total utility is the total satisfaction derived from consuming a certain amount of a good or service
- B) Utility varies from consumer to consumer
- C) As more of a good or service is consumed, marginal utility tends to fall
- D) Total utility will be zero when marginal utility is at its maximum

Answer: <https://biology-forums.com/index.php?topic=859275>

Question 1292

To maximize its profits, an oligopolistic firm will produce at an output at which:

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

Answer: <https://biology-forums.com/index.php?topic=860019>

Question 1293

A monopolistically competitive firm faces a demand curve that is downward sloping.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860050>

Question 1294

The budget line is affected only by changes in income, not by changes in prices.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859434>

Question 1295

The concept of utility is important in that it enables us to understand how consumers exercise choice over the various commodities that they can purchase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859313>

Question 1296

Devices such as import quotas, export subsidies, and voluntary restrictions are referred to as non-tariff barriers to trade.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860466>

Question 1297

A perfectly inelastic demand curve is likely to exist for which of the following items?

- A) beer
- B) beef
- C) prescription drugs
- D) fresh produce

Answer: <https://biology-forums.com/index.php?topic=859021>

Question 1298

Flow variables have no time dimension; stock variables do have time dimensions.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858597>

Question 1299

The ceteris paribus assumption:

- A) makes economics a science
- B) really complicates economic analysis
- C) allows the analyst to isolate the effects of certain variables
- D) is a good example of a hypothesis in economics

Answer: <https://biology-forums.com/index.php?topic=858510>

Question 1300

When marginal cost equals average total cost, average total cost is at its minimum.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859705>

Question 1301

Under capitalism:

- A) businesses make decisions about what to produce, the number of employees to hire, and what prices to charge for their goods and services
- B) the government decides what to produce, who should be hired, and what prices are charged
- C) there is a blend of attributes, including private ownership of resources and centrally planned welfare systems
- D) there is a tendency for the government to subsidize producers in those sectors which are capital-intensive

Answer: <https://biology-forums.com/index.php?topic=860722>

Question 1302

The concept of opportunity cost can be applied:

- A) in both simple and complicated decision making
- B) only when monetary cost cannot be accurately estimated
- C) in business decisions but not in private, personal decisions
- D) in personal decisions but not in business decisions

Answer: <https://biology-forums.com/index.php?topic=858702>

Question 1303

One cause of poverty is having a physical or mental disability.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860329>

Question 1304

The optimal level of pollution is achieved when pollution is reduced to zero.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860572>

Question 1305

A decrease in supply is shown graphically by:

- A) an upward shift in the supply curve

- B) a downward shift in the supply curve
- C) a movement up a given supply curve
- D) a movement down a given supply curve

Answer: <https://biology-forums.com/index.php?topic=858866>

Question 1306

A black market is a market in which an item is sold above the price prescribed by law.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859220>

Question 1307

The main elements of the Copenhagen Accord were to reduce greenhouse emissions and restrain economic growth to halt the environmental impact.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860590>

Question 1308

Compared with pure competition, monopolistic competition results in a higher price and a smaller volume of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860064>

Question 1309

The factors that effect the demand for land include population growth, technology, resource content, and location.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860197>

Question 1310

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

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

Answer: <https://biology-forums.com/index.php?topic=859186>

Question 1311

An outward shift of the production possibility curve represents an increase in the economy's production capacity and is sometimes referred to as economic growth.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858798>

Question 1312

Because of the loss of both consumer surplus and producer surplus resulting from rent control, no one benefits from rent control.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859223>

Question 1313

Which of the following will cause the supply curve to shift?

- A) A change in the price of a production substitute
- B) A change in technology
- C) A change in the price of an important input
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858861>

Question 1314

When an insurance company includes a deductible clause in an automobile policy, it is trying to reduce the problem of moral hazard.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860712>

Question 1315

Limit pricing:

- A) encourages firms to maximize their short-run profits
- B) serves as an effective barrier to entry
- C) encourages firms to raise their prices in order to maximize their profits
- D) is a strategy designed to limit consumer demand to encourage higher prices

Answer: <https://biology-forums.com/index.php?topic=860027>

Question 1316

If the demand for a product falls, other things being equal, we expect:

- A) a fall in price and a fall in quantity
- B) a fall in price and a rise in quantity
- C) an increase in price and an increase in quantity
- D) an increase in price and a decrease in quantity

Answer: <https://biology-forums.com/index.php?topic=858881>

Question 1317

In a simple circular flow model, the flow of income from the factor market to households consists of:

- A) real flows only because money flows cannot be graphed
- B) both real and money flows
- C) wages, rent, interest and dividends, and profits
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858764>

Question 1318

The only reasonable assumption that can be made about the firm's objective is that it tries to secure the largest possible market share, regardless of the resulting profits.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859551>

Question 1319

$ATC = AFC + AVC$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859699>

Question 1320

Fixed costs:

- A) are all costs incurred by the firm in the short run
- B) do not include explicit costs
- C) only apply in the long run
- D) do not vary with the volume of output

Answer: <https://biology-forums.com/index.php?topic=859619>

Question 1321

The marginal benefit curve for search time is:

- A) upward sloping
- B) downward sloping
- C) vertical
- D) horizontal

Answer: <https://biology-forums.com/index.php?topic=860615>

Question 1322

The theory of the kinked demand curve assumes that:

- A) a price increase by one firm will not be matched by price increases in other firms
- B) a reduction in the price by one firm will be matched by price reductions in other firms
- C) the demand curve has a kink
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860023>

Question 1323

Experience goods are:

- A) goods that are developed after substantial experimentation
- B) goods with which we cannot become acquainted even after using them for a long time
- C) goods whose quality can be known only after using them
- D) goods that have been in existence for several years

Answer: <https://biology-forums.com/index.php?topic=860636>

Question 1324

Which of the following is most likely to react to pricing and output decisions of one of its competitors?

- A) A monopolistic firm
- B) A purely competitive firm
- C) A monopolistically competitive firm
- D) An oligopolistic firm

Answer: <https://biology-forums.com/index.php?topic=860010>

Question 1325

Profit is defined as:

- A) the difference between investment and income
- B) the difference between total revenue and total cost
- C) the sum of all incomes received from selling goods and services
- D) the difference between sales and wage costs

Answer: <https://biology-forums.com/index.php?topic=859482>

Question 1326

The four market structures are vertical, horizontal, linear, and concave.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859799>

Question 1327

Measures of cross-price elasticity of demand are useful because they make the concept of price elasticity of demand irrelevant.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859108>

Question 1328

Refer to Figure 8.1. The marginal cost curve is represented by:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859651>

Question 1329

Approximately what percentage of Canada's exports goes to the United States?

- A) 20%
- B) 45%
- C) 60%
- D) 80%

Answer: <https://biology-forums.com/index.php?topic=860407>

Question 1330

A supply function is a mathematical way of expressing the relationship between quantity supplied and the factors that affect quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858999>

Question 1331

The many different beauty salons, barber shops, and restaurants operating in any large city are good examples of monopolistic competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860046>

Question 1332

Compared with pure competition, monopolistic competition results in a smaller volume of output but a greater variety.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860065>

Question 1333

If the marginal cost of search exceeds the marginal benefit, the consumer should continue the search for a lower price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860679>

Question 1334

Opportunity cost is the amount of money you lose when you miss an opportunity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858768>

Question 1335

The mathematical approach to market analysis:

- A) is much too difficult for introductory economics
- B) is an unnecessary complication into economic analysis
- C) can often give greater precision than a graphical analysis
- D) is always more difficult than a tabular analysis

Answer: <https://biology-forums.com/index.php?topic=858956>

Question 1336

The supply of land curve is perfectly inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860198>

Question 1337

The consumer is said to be in equilibrium when he or she has achieved his or her objective.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859331>

Question 1338

In the long run, a firm in pure competition will continue to operate where price is between average variable cost and average total cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859840>

Question 1339

Consider the equation $QS = c + dP$, $d > 0$, where QS = quantity supplied and P = price. Which of the following statements is correct?

- A) d is the slope of the supply function
- B) c is a constant
- C) The slope of the supply function is positive because a direct relationship exists between price and quantity supplied
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858972>

Question 1340

Marginal cost is derived by dividing total cost by the last unit produced.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859691>

Question 1341

The law of diminishing marginal utility states that:

- A) total utility is maximized when marginal utility is maximized
- B) the utility that a consumer derives from successive units of an item will eventually diminish as total consumption of that item increases, other things being equal
- C) as total utility declines, marginal utility must be zero

D) the utility that a consumer derives from successive units of an item will diminish as total consumption of that commodity decreases, other things being equal

Answer: <https://biology-forums.com/index.php?topic=859268>

Question 1342

Refer to data above. In order to increase the number of patrons, theatre owners should:

- A) raise the price and thus raise revenue
- B) raise the price and thus lower revenue
- C) lower the price and thus raise revenue
- D) lower the price and thus lower revenue

Answer: <https://biology-forums.com/index.php?topic=859055>

Question 1343

The greater the degree of government intervention in the economy, the greater is the tendency towards socialism; and the greater the reliance on the market mechanism, the greater the tendency towards capitalism.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860756>

Question 1344

A tax on the rent portion of income will not affect resource allocation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860202>

Question 1345

By requiring licences to enter a profession, the professional association hopes to:

- A) shift the labour demand curve to the right
- B) shift the labour demand curve to the left
- C) shift the labour supply curve to the right
- D) shift the labour supply curve to the left

Answer: <https://biology-forums.com/index.php?topic=860132>

Question 1346

Product differentiation is an important feature of:

- A) pure competition
- B) monopoly
- C) monopolistic competition
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859979>

Question 1347

Which of the following is not in itself an important factor in determining comparative advantage?

- A) The number of small businesses
- B) Natural endowment
- C) Acquired advantage
- D) Special knowledge

Answer: <https://biology-forums.com/index.php?topic=860392>

Question 1348

Which of the following is not an example of search goods?

- A) Fish
- B) Neckties
- C) TV sets
- D) Fresh vegetables

Answer: <https://biology-forums.com/index.php?topic=860635>

Question 1349

If Q represents output, L represents labour, and T represents land, the expression $Q = Q(L, T)$ is called:

- A) a production function
- B) a production possibility curve

- C) a production possibility boundary
- D) a resource combination bundle

Answer: <https://biology-forums.com/index.php?topic=859516>

Question 1350

The return to a productive factor, the supply of which is completely fixed, is called pure economic rent.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860194>

Question 1351

Fixed factors are a phenomenon of:
A) the long run only
B) the short run, but not the long run
C) the long run and the short run
D) small firms only

Answer: <https://biology-forums.com/index.php?topic=859511>

Question 1352

When a monopolist is maximizing its profits, its price will be above its marginal cost.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859938>

Question 1353

Refer to Figure 9.2. At its current level of output, which of the following is true for this firm?
A) $MR = MC$
B) $MR > MC$
C) $MR < MC$
D) $P = MC$

Answer: <https://biology-forums.com/index.php?topic=859771>

Question 1354

Price ceilings and price floors are most effective when set at the market equilibrium price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859215>

Question 1355

The benefit derived from search is:
A) the higher prices that others have to pay
B) the possibility of making a new discovery
C) the enjoyment from the item found
D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860607>

Question 1356

The amount that a consumer pays for a unit of an item is generally less than the amount that he or she is willing to pay. Thus a consumer can generally not derive any consumer surplus.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859195>

Question 1357

Which of the following is not related to asymmetric information?
A) The lemon problem
B) Adverse selection
C) The common-pool problem
D) Moral hazard

Answer: <https://biology-forums.com/index.php?topic=860650>

Question 1358

Search has benefits and costs, but:

- A) search can never be beneficial because the costs always exceed the benefits
- B) the benefits always exceed the costs, so search will always continue
- C) the benefits and the costs are always equal
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860609>

Question 1359

Which of the following is an open-access resources?

- A) The sea
- B) Parks
- C) Railways
- D) Roadways

Answer: <https://biology-forums.com/index.php?topic=860504>

Question 1360

Refer to Figure 9.1. At a price of \$12, the maximum profit the firm can make is:

- A) \$140
- B) \$280
- C) \$260
- D) \$1200

Answer: <https://biology-forums.com/index.php?topic=859765>

Question 1361

The simple circular model with only households and firms shows:

- A) only the flows of resources and income
- B) income and expenditure flows as well as flows of resources and goods and services
- C) stocks but not flows
- D) income but not output

Answer: <https://biology-forums.com/index.php?topic=858755>

Question 1362

The economist's concept of profits differs from the accountant's in that:

- A) the economist considers the opportunity cost, while the accountant does not
- B) the accountant considers the opportunity cost, while the economist does not
- C) the accountant deals with imputed costs, while the economist does not
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860154>

Question 1363

Refer to Figure 6A.4. Rene will purchase combination:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=859402>

Question 1364

Which of the following will normally be an explicit cost for a firm?

- A) Wages and salaries
- B) Expenditure for fuel
- C) Business taxes
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859617>

Question 1365

Long-term contracts and small menu costs are two additional explanations for the price rigidity in oligopolies.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860084>

Question 1366

In the context of principal and agent, the principal is the party chosen to act on behalf of, or in the interest of, the agent.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860717>

Question 1367

A supply function is:

- A) a table showing a relationship between price and supply
- B) a graph showing a relationship between quantity supplied and supply
- C) a table showing a relationship between quantity supplied and price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858969>

Question 1368

Computers and printers are considered to be complements. For complementary goods, the cross-price elasticity of demand is negative ($E_{APB} < 0$).
True or False?

Answer: <https://biology-forums.com/index.php?topic=859110>

Question 1369

Difficulties with the needs approach to income distribution include:

- A) the difficulty of determining needs
- B) the lack of incentive to work
- C) both A and B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860221>

Question 1370

The existence of a shortage will:

- A) tend to force the price up
- B) tend to force the price down
- C) cause the supply curve to shift immediately
- D) have no effect on market price

Answer: <https://biology-forums.com/index.php?topic=858871>

Question 1371

A monopolist seeking to maximize profits will:

- A) allocate resources efficiently
- B) misallocate resources
- C) set the highest price possible
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859904>

Question 1372

When marginal product is at its maximum:

- A) marginal cost is also at its maximum
- B) marginal cost is at its minimum
- C) marginal cost will increase
- D) marginal cost will decrease

Answer: <https://biology-forums.com/index.php?topic=859658>

Question 1373

Environmental pollution is a good example of an external diseconomy.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860552>

Question 1374

The arc formula for the price elasticity of demand is:

- A) change in quantity over quantity divided by change in price over price

- B) change in quantity over the average quantity divided by the change in price over the average price
- C) change in price over the sum of the prices divided by the change in quantity over the sum of the quantities
- D) change in price over price divided by the change in quantity over quantity

Answer: <https://biology-forums.com/index.php?topic=859019>

Question 1375

Which of the following statements about capitalism is the most accurate?

- A) There is minimal government intervention but also limited freedom of choice
- B) Capitalism is characterized by inequality in the distribution of wealth
- C) Self-interest motivates individuals but creates market chaos
- D) The strengths of the capitalist system are the safeguards in place to protect the environment

Answer: <https://biology-forums.com/index.php?topic=860724>

Question 1376

International trade is a term used to describe the study of the import and export of goods, services, and resources between countries.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860422>

Question 1377

A production possibility curve for carrots and corn shows:

- A) the various combinations of carrots and corn that an economy is actually producing
- B) the various combinations of carrots and corn that yield the same level of satisfaction
- C) the various combinations of carrots and corn that can be bought with the economy's total income
- D) the various combinations of carrots and corn that an economy can produce with a given technology if it uses all its resources

Answer: <https://biology-forums.com/index.php?topic=858716>

Question 1378

Refer to Figure 9.1. This firm should close down if the price falls below:

- A) \$9
- B) \$8
- C) \$6
- D) \$4

Answer: <https://biology-forums.com/index.php?topic=859768>

Question 1379

Advertising may result in higher prices and misallocation of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860068>

Question 1380

Specialization of production in an economy means that resources tend to be employed in industries in which they are most productive.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860435>

Question 1381

A consumer will be maximizing his or her satisfaction when he or she has reached a point at which:

- A) an indifference curve cuts the budget line from above
- B) an indifference curve is tangent to the budget line
- C) an indifference curve cuts the budget line from below
- D) an indifference curve lies far above the budget line

Answer: <https://biology-forums.com/index.php?topic=859400>

Question 1382

A demand schedule shows:

- A) an inverse relationship between price and quantity demanded
- B) a direct relationship between price and income
- C) an inverse relationship between income and quantity
- D) a direct relationship between income and quantity

Answer: <https://biology-forums.com/index.php?topic=858828>

Question 1383

Macroeconomics is concerned with:

- A) output decisions of General Motors Canada
- B) price determination in a single specific market
- C) fluctuations in general economic activity and the study of aggregates
- D) the commission levels of associates at Remax Real Estate

Answer: <https://biology-forums.com/index.php?topic=858536>

Question 1384

Canada has a comparative advantage in which of the following areas?

- A) The production of citrus fruits
- B) The production of precious gems
- C) The production of electricity
- D) The production of precious metals

Answer: <https://biology-forums.com/index.php?topic=860398>

Question 1385

Wage discrimination is:

- A) a form of economic discrimination
- B) a situation where particular groups are paid lower wages and salaries than others are paid for similar work
- C) a cause of poverty
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860261>

Question 1386

In economics, there is no difference between demand and want.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858888>

Question 1387

A demand schedule:

- A) is a graphical illustration of the amount actually purchased at a given price during a period of time
- B) must show all points that lie on the demand curve with which it is associated
- C) is a tabular representation of various quantities that people are willing to offer to demanders at various prices
- D) is a tabular representation of various quantities that people will be willing and able to buy at various prices

Answer: <https://biology-forums.com/index.php?topic=858829>

Question 1388

Which of the following will affect the position of the p-p curve?

- A) New immigrants enter the country but cannot find jobs
- B) Households increase their purchases of consumer goods and services
- C) All firms hire workers who were previously unemployed
- D) An increase in demand causes firms to increase their production levels

Answer: <https://biology-forums.com/index.php?topic=858738>

Question 1389

A quantity restriction that is below the free market equilibrium quantity will result in:

- A) a surplus and a fall in price
- B) a shortage and an increase in price
- C) the equilibrium price and quantity
- D) an increase in consumer surplus

Answer: <https://biology-forums.com/index.php?topic=859174>

Question 1390

According to the law of supply:

- A) sellers cannot discriminate against buyers
- B) there is a direct relationship between price and quantity supplied
- C) sellers are compelled by law to ensure the safety of their products

D) as the price of an item rises, the supply will also rise

Answer: <https://biology-forums.com/index.php?topic=858858>

Question 1391

The market demand curve:

- A) is the curve derived from graphing all the demands for all goods and services sold in all markets
- B) is the demand curve for all the different kinds of items that an individual buys in different markets
- C) cannot be derived from the individual demand curves for an item
- D) is the demand curve representing the demand for all the buyers in the market for a good or a service.

Answer: <https://biology-forums.com/index.php?topic=859302>

Question 1392

The larger the Gini coefficient, the greater the inequality in the distribution of income.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860298>

Question 1393

The idea that the cost of production (C) varies with the volume of output produced (Q) may be expressed as:

- A) $C = C(Q)$
- B) $Q = Q(C)$
- C) $Q = f(C)$
- D) $C = C(f)$

Answer: <https://biology-forums.com/index.php?topic=858617>

Question 1394

The assumption of profit maximization:

- A) has been abandoned by the economics profession
- B) has led to successful predictions of the behaviour of firms
- C) has never been challenged so it must be accurate
- D) is much too simple for complicated economic units such as firms

Answer: <https://biology-forums.com/index.php?topic=859487>

Question 1395

The substitution effect, the real income effect, and the market-size effect explain why people buy more when price falls.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858907>

Question 1396

Which of the following is true of indifference curves?

- A) They slope downward
- B) They are convex to the origin
- C) They are non-intersecting
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859378>

Question 1397

A price ceiling is:

- A) an upper limit on the price at which a seller is legally allowed to sell an item
- B) imposed only by firms that have complete control over the prices of their products
- C) imposed whenever there is a surplus of housing on the market
- D) the highest price that crown corporations can charge on government regulated goods and services

Answer: <https://biology-forums.com/index.php?topic=859149>

Question 1398

In the short run, the firm has both fixed and variable factors.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859570>

Question 1399

Minimum wage legislation is likely to result in a loss of employee surplus, a loss of employer surplus, a deadweight loss, and a loss of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859230>

Question 1400

If marginal utility is zero, then:

- A) total utility will increase
- B) total utility will be at its maximum
- C) total utility will be at its minimum
- D) total utility must be zero

Answer: <https://biology-forums.com/index.php?topic=859272>

Question 1401

A firm is:

- A) a plant
- B) a group of industries
- C) the unit that transforms inputs into outputs for sale at a profit
- D) a group of people who share a common vision

Answer: <https://biology-forums.com/index.php?topic=859481>

Question 1402

An example of adverse selection is having low-risk clients pay a higher premium for insurance because of high-risk clients.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860707>

Question 1403

The industry supply curve for labour is:

- A) perfectly elastic
- B) perfectly inelastic
- C) upward sloping
- D) downward sloping

Answer: <https://biology-forums.com/index.php?topic=860106>

Question 1404

The entry of new firms into a monopolistically competitive industry will cause:

- A) the firm's demand curve to shift to the right
- B) the firm's demand curve to shift to the left
- C) the industry demand curve to shift to the right
- D) the industry demand curve to shift to the left

Answer: <https://biology-forums.com/index.php?topic=859990>

Question 1405

Indifference curves can show different levels of income but they cannot show different levels of satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859443>

Question 1406

The slope of the budget line:

- A) is positive because the budget line is upward sloping
- B) is unrelated to the prices of the items
- C) is the same as the ratio of the prices of the items but with a negative sign
- D) can never change whether the prices of the items rise or fall

Answer: <https://biology-forums.com/index.php?topic=859360>

Question 1407

An increase in supply, other things being equal, will cause:

- A) a fall in price and an increase in quantity
- B) a fall in price and a fall in quantity
- C) a rise in price and a rise in quantity

D) a rise in price and a fall in quantity

Answer: <https://biology-forums.com/index.php?topic=858879>

Question 1408

Barriers to entry include patents, franchises, and ownership or control of essential inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859923>

Question 1409

There is a demand for a product provided that people are willing and able to purchase the product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858894>

Question 1410

In the long run, the monopolist maximizes its profits when:

- A) its price equals long-run average cost
- B) its long-run marginal cost equals its marginal revenue
- C) its marginal revenue and average revenue are equal
- D) its price equals long-run marginal cost

Answer: <https://biology-forums.com/index.php?topic=859898>

Question 1411

The monopolistic firm's demand curve is:

- A) horizontal at the price
- B) the same as the market demand curve
- C) more elastic than that of a purely competitive firm
- D) perfectly inelastic because the monopolist controls both price and output

Answer: <https://biology-forums.com/index.php?topic=859865>

Question 1412

Supply refers to the various quantities that producers are willing and able to offer for sale at various prices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858927>

Question 1413

Demand shifters include:

- A) income
- B) prices of related goods
- C) expectations
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858854>

Question 1414

All real-world economies are mixed economies with elements of free enterprise and government intervention.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860749>

Question 1415

Effluent fees are likely to:

- A) reduce the level of pollution
- B) increase the level of pollution
- C) affect only the wealthiest firms
- D) have no effect on the level of pollution

Answer: <https://biology-forums.com/index.php?topic=860523>

Question 1416

When a purely competitive firm is maximizing its profits, we know that its price will be equal to its marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859825>

Question 1417

An example of a merit good is education.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860561>

Question 1418

It has been observed that when interest rates fall, businesses invest more. This relationship between investment and the rate of interest would be shown on a graph as:

- A) an upward sloping curve
- B) a downward sloping curve
- C) a vertical line
- D) a horizontal line

Answer: <https://biology-forums.com/index.php?topic=858628>

Question 1419

Successful advertising will tend to:

- A) make the firm's demand curve more elastic
- B) make the firm's demand curve less elastic
- C) lower the industry's demand curve
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860004>

Question 1420

The situation that exists when one party to a transaction has information that the other does not have is called:

- A) unbalanced information
- B) information symmetry
- C) asymmetric information
- D) transactional disharmony

Answer: <https://biology-forums.com/index.php?topic=860641>

Question 1421

The market can fail to achieve an efficient allocation of resources because of perfect competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860541>

Question 1422

Which of the following is a disadvantage associated with oligopoly?

- A) excess profits
- B) misallocation of resources
- C) wasteful advertising
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860039>

Question 1423

One of the big advantages in using graphs in economics is that as the number of variables increases, it becomes easier to use graphs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858682>

Question 1424

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 1425

If demand and supply increase to the same extent, the equilibrium price will remain the same, but the equilibrium quantity will increase.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858952>

Question 1426

If a firm practises price discrimination, it will charge the higher price in:

- A) the market with the larger number of buyers
- B) the market where the larger output is sold
- C) the market with the less elastic demand
- D) the market with the more elastic demand

Answer: <https://biology-forums.com/index.php?topic=859916>

Question 1427

In a free enterprise system, prices do not play any important role in determining the flow of goods and services between buyers and sellers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858887>

Question 1428

An excise tax is:

- A) a type of property tax
- B) a type of sales tax
- C) a type of income tax
- D) levied only on imported items

Answer: <https://biology-forums.com/index.php?topic=859177>

Question 1429

Generally speaking, if a product has a large number of substitutes, its demand is likely to be elastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859097>

Question 1430

Graphs are important to economists because they require economists to explain them, and this means more jobs for economists.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858666>

Question 1431

Concentration ratios:

- A) measure the degree of concentration each worker puts into a job
- B) measure the extent to which an industry is dominated by a few firms
- C) measure the extent to which a country relies on food concentrates
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860013>

Question 1432

A convex curve is:

- A) bowed outward
- B) bowed inward, toward the origin
- C) upward sloping up to a point, then begins to turn and slope downward
- D) perfectly vertical up until a specific price level, then turns perfectly horizontal at all prices after that

Answer: <https://biology-forums.com/index.php?topic=858629>

Question 1433

The law of supply states that there is an inverse relation between the price of a product and the quantity offered for sale.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858932>

Question 1434

Concentration ratios provide information about the degree of competition in an industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860073>

Question 1435

Which of the following is not a property of indifference curves?

- A) They are downward sloping
- B) They do not intersect
- C) They are convex
- D) They are upward sloping

Answer: <https://biology-forums.com/index.php?topic=859386>

Question 1436

If scarcity did not exist, there would be no opportunity cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858769>

Question 1437

Homogeneous products and freedom of entry and exit are features of monopolistic competition.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859807>

Question 1438

Refer to Figure 6A.3. As the consumer moves from A to D:

- A) total utility increases
- B) total utility decreases
- C) total utility is not affected
- D) marginal utility increases

Answer: <https://biology-forums.com/index.php?topic=859391>

Question 1439

If demand and supply both increase but the increase in demand is larger than the increase in supply, equilibrium price and equilibrium quantity will rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858954>

Question 1440

The average fixed cost curve is:

- A) upward sloping because cost rises with output
- B) horizontal because fixed costs does not change
- C) downward sloping because the total fixed cost is spread over larger and larger quantities
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859647>

Question 1441

Under the market system, there is a general belief that markets should be allowed to function without any government intervention. However, if individual freedom is at risk, there is agreement that the government should enter the system to protect that freedom.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860757>

Question 1442

Which of the following information provided by the government reduces search cost?

- A) Information on safety standards
- B) Weather reports
- C) Information about new automobiles
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860603>

Question 1443

A single indifference curve does not really show anything. An indifference map is always necessary.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859444>

Question 1444

Given two goods, X and Y, consumers will maximize their utility from a given income when:

- A) =
- B) =
- C) $TUX = TUY$
- D) $MUX > MUY$

Answer: <https://biology-forums.com/index.php?topic=859283>

Question 1445

The greater the distance between the Lorenz curve and the line of perfect equality, the greater the inequality in income distribution. True or False?

Answer: <https://biology-forums.com/index.php?topic=860294>

Question 1446

If the HHI is 2000, the industry would be classified as:

- A) mildly concentrated
- B) moderately concentrated
- C) highly concentrated
- D) Unconcentrated

Answer: <https://biology-forums.com/index.php?topic=860017>

Question 1447

Interest is the payment for the use of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860204>

Question 1448

A line that slopes upward from left to right has:

- A) an increasing slope
- B) a positive slope
- C) a decreasing slope
- D) a negative slope

Answer: <https://biology-forums.com/index.php?topic=858634>

Question 1449

Any straight line has:

- A) a positive slope
- B) a negative slope
- C) a constant slope
- D) a slope of zero

Answer: <https://biology-forums.com/index.php?topic=858637>

Question 1450

If Q represents output, L represents labour, and T represents land, the expression $Q = Q(L, T)$ means:

- A) output depends on the quantities of land and labour used in the process of production
- B) if the quantity of labour changes, other things being equal, output will change
- C) if the quantity of land changes, other things being equal, output will change
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859515>

Question 1451

Which of the following is correct for a firm in pure competition?

- A) Price and average revenue are always identical
- B) Price and marginal revenue are always identical
- C) Marginal revenue and average revenue are always identical
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859757>

Question 1452

Which of the following is a likely effect of poverty?

- A) Deprivation of the good things in life
- B) Deprivation of a good education
- C) Certain criminal activities
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860249>

Question 1453

In reality, resources are not all equally efficient in all lines of production. Therefore production possibility curves will reflect increasing opportunity cost and will be concave.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858792>

Question 1454

If the demand for a product increases, other things being equal, we expect:

- A) a shortage to develop which will exert a downward pressure on the price
- B) a shortage to develop which will exert an upward pressure on the price
- C) a surplus to emerge which will force the price down
- D) a surplus to emerge which will force the price up

Answer: <https://biology-forums.com/index.php?topic=858877>

Question 1455

Which of the following is an important determinant of the price elasticity of demand?

- A) The number of substitutes available
- B) The number of uses that the product has
- C) The percentage of income spent on the product
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859059>

Question 1456

If a community is spending an amount on pollution abatement such that the marginal social cost is less than the marginal social benefit, then it is:

- A) spending too much on pollution abatement
- B) spending too little on pollution abatement
- C) permitting too little pollution
- D) spending the right amount on pollution abatement

Answer: <https://biology-forums.com/index.php?topic=860514>

Question 1457

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 1458

In the long run, the monopolist will increase its price if it is operating at a loss.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859953>

Question 1459

The total fixed cost curve:

- A) declines continuously as output increases
- B) is a horizontal straight line starting at some positive value along the vertical axis
- C) is an upward-sloping straight line through the origin
- D) is parallel to the total variable cost curve

Answer: <https://biology-forums.com/index.php?topic=859641>

Question 1460

"Bads" give satisfaction and are desirable even though they may be harmful.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858552>

Question 1461

Because of the law of increasing opportunity cost, production possibility curves will be upward sloping.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858793>

Question 1462

Comparative advantage can result from acquired advantage and special knowledge.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860445>

Question 1463

Refer to Figure 15.1. This society is spending too much on pollution abatement at a level of:

- A) Q1
- B) Q2
- C) Q4
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860511>

Question 1464

The excess capacity theorem states that in the long run, a firm in monopolistic competition will:

- A) operate at an output below that which minimizes average cost
- B) use all its excess capacity
- C) earn excess profits
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859999>

Question 1465

If the demand for a product is unitary elastic, a change in its price will have no effect on total revenue.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859094>

Question 1466

A linear pp-curve:

- A) illustrates increasing opportunity costs
- B) illustrates constant opportunity costs
- C) illustrates decreasing opportunity costs
- D) doesn't exist

Answer: <https://biology-forums.com/index.php?topic=858721>

Question 1467

Refer to Figure 6A.1. Which of the following is correct?

- A) Combination B is unaffordable
- B) Combination A costs more than combination D because the latter contains only Y
- C) The consumer will purchase combination B because it lies above the line and is therefore better than the others
- D) Combination E costs less than combination C

Answer: <https://biology-forums.com/index.php?topic=859363>

Question 1468

Variable costs are incurred:

- A) only in the short run
- B) only in the long run
- C) both in the long run and in the short run
- D) if production is zero

Answer: <https://biology-forums.com/index.php?topic=859627>

Question 1469

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 1470

The effect of a tax on buyers is:

- A) to shift the demand curve to the right
- B) to shift the demand curve to the left
- C) to change the slope of the demand curve—it becomes steeper
- D) to change the slope of the demand curve—it becomes flatter

Answer: <https://biology-forums.com/index.php?topic=859188>

Question 1471

An indifference curve is:

- A) a graph that shows all combinations of two commodities that yield the same level of satisfaction
- B) a graph that results from plotting the information contained in an indifference schedule
- C) downward sloping
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859377>

Question 1472

The satisfaction derived from the consumption of goods and services is measured in units called:

- A) consumetrics
- B) utils
- C) metrifacts
- D) prices

Answer: <https://biology-forums.com/index.php?topic=859248>

Question 1473

In economics, the firm, as a concept, applies:

- A) only to professional firms such as law firms, accounting firms, and consulting firms
- B) only to manufacturing establishments such as furniture makers and auto manufacturers
- C) to the decision-making unit that buys inputs and converts them into outputs
- D) only to organizations that employ large numbers of workers

Answer: <https://biology-forums.com/index.php?topic=859474>

Question 1474

The demand curve is a:

- A) graphical representation of the quantity demanded at a given price
- B) graphical representation of the various quantities that will remain unsold because buyers are unwilling to pay the price
- C) graphical representation of the various quantities that consumers will be willing and able to buy at various prices
- D) graph showing the various quantities that will be bought as income changes

Answer: <https://biology-forums.com/index.php?topic=858831>

Question 1475

The dependent variable is the variable whose value is exogenously determined.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858659>

Question 1476

The excess capacity theorem states that firms in monopolistic competition will never operate with excess capacity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860060>

Question 1477

In a decreasing-cost industry, costs decrease as the industry size shrinks.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859849>

Question 1478

A carbon tax:

- A) is a tax imposed on items that emit carbon dioxide
- B) is an effective device for reducing the level of pollution
- C) is not yet used nationally in Canada
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860531>

Question 1479

Sources of market failure include market imperfections, lack of adequate information, and the existence of economic externalities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860542>

Question 1480

An excise tax will:

- A) encourage people to purchase the taxed item
- B) provide an incentive for sellers of the taxed item to offer a larger quantity for sale
- C) increase the price of the commodity on which the tax is imposed
- D) increase the quantity bought and sold

Answer: <https://biology-forums.com/index.php?topic=859178>

Question 1481

The consumer's objective is to maximize satisfaction subject to an income constraint.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859334>

Question 1482

The equilibrium price in the market for Toronto Maple Leaf game tickets is \$75.00. However, we know that there are Leafs fans who are willing to pay \$150.00 for the same tickets. From this, we know that the consumer surplus for these loyal TML fans is:

- A) \$7.50
- B) \$75.00
- C) \$150.00
- D) \$300.00

Answer: <https://biology-forums.com/index.php?topic=859136>

Question 1483

An indifference curve shows all combinations of two commodities that give the consumer the same level of satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859447>

Question 1484

Demand is:

- A) identical to needs
- B) identical to wants
- C) the amount that is actually bought at a particular price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858824>

Question 1485

If demand and supply decrease equally, the equilibrium price will rise, but the equilibrium quantity will fall.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858953>

Question 1486

The existence of public goods has nothing to do with market failure.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860554>

Question 1487

The statement that, in a year from now, the rate of inflation will be 2.5% is an example of an economic prediction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858577>

Question 1488

The marginal product of a variable factor may be calculated by dividing the total product by the change in the variable input.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859585>

Question 1489

The marginal benefit curve of search for a higher-priced item:

- A) will be above that of a lower-priced item
- B) will be below that of a lower-priced item
- C) will be horizontal and to the right of that of a lower-priced item
- D) will be vertical

Answer: <https://biology-forums.com/index.php?topic=860621>

Question 1490

The use of percentages allows more meaningful comparisons of values.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858687>

Question 1491

When a profit-seeking firm advertises its product, its objective is to:

- A) shift its competitors' demand curves to the right
- B) shift its own average revenue curve to the right
- C) shift its own demand curve to the left
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860003>

Question 1492

Macaroni and cheese is an example of an inferior good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858915>

Question 1493

Refer to Table 6.3. At a price of \$6:

- A) the market quantity demanded is 19
- B) the market demand is 19
- C) the market demand is 10
- D) the market quantity demanded is 23

Answer: <https://biology-forums.com/index.php?topic=859304>

Question 1494

The short-run shut down point occurs where:

- A) $MC = ATC$
- B) $MC = AVC$
- C) $P = ATC$
- D) $MC < AVC$

Answer: <https://biology-forums.com/index.php?topic=859778>

Question 1495

Government transfer payments are money from the government that does not represent payment for productive services; they include such items as employment insurance and welfare payments.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860339>

Question 1496

If a community is spending an amount on pollution abatement such that the marginal social cost exceeds the marginal social benefit, then it should:

- A) increase its spending to reduce the level of pollution
- B) increase its spending to increase the level of pollution
- C) reduce its spending to increase the level of pollution
- D) reduce its spending to reduce the level of pollution

Answer: <https://biology-forums.com/index.php?topic=860513>

Question 1497

Refer to Figure 3.1. At a price of \$12, there is:

- A) a surplus of 20
- B) a surplus of 40
- C) a surplus of 10
- D) a shortage of 20

Answer: <https://biology-forums.com/index.php?topic=858872>

Question 1498

The demand for necessities is likely to be elastic, while the demand for luxuries is likely to be inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859105>

Question 1499

The supply of a good or service is affected by:

- A) the number of producers
- B) technology
- C) the cost of inputs
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858864>

Question 1500

If income is equally distributed, the Gini coefficient will be:

- A) positive
- B) negative
- C) zero
- D) increasing

Answer: <https://biology-forums.com/index.php?topic=860232>

Question 1501

Which of the following is not likely to affect the demand for land?

- A) The location of land
- B) The resource content of land
- C) The productivity of land
- D) The price of land

Answer: <https://biology-forums.com/index.php?topic=860139>

Question 1502

International trade describes:

- A) the study of the import and export of goods, but not services
- B) the study of the import and export of services, but not goods
- C) the study of the import and export of goods and services, but not resources
- D) the study of the import and export of goods, services, and resources

Answer: <https://biology-forums.com/index.php?topic=860348>

Question 1503

Refer to Figure 4.1. At a price of P1:

- A) D is more elastic than D1
- B) D1 is more elastic than D
- C) D2 is more elastic than D
- D) D2 is more elastic than D1

Answer: <https://biology-forums.com/index.php?topic=859031>

Question 1504

To exercise choice involves giving up something.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858767>

Question 1505

The government often intervenes in the market system to alter the market-determined results and to produce effects that may be more politically and socially acceptable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859191>

Question 1506

If the supply of an item is perfectly elastic, the incidence of a tax falls entirely on the consumers.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859243>

Question 1507

Which of the following is likely to have the most elastic demand?

- A) Chewing gum
- B) Milk
- C) Gasoline
- D) A particular brand of chewing gum

Answer: <https://biology-forums.com/index.php?topic=859065>

Question 1508

The consumer's problem is how to maximize satisfaction from a given budget, given the prices of the goods and services that he or she wants to buy.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859330>

Question 1509

Refer to Figure 1A.1. The slope of the curve at point A is:

- A) 1/2
- B) $10/5 = 2$
- C) 1
- D) -3

Answer: <https://biology-forums.com/index.php?topic=858638>

Question 1510

Barriers to entry refer to devices which:

- A) prevent monopolistic firms from entering an industry
- B) prevent certain firms from becoming monopolies
- C) prevent firms from entering a monopolized industry
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859859>

Question 1511

The break-even level of output occurs when:

- A) total revenue equals total cost
- B) average revenue equals average total cost
- C) profit is zero

D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859760>

Question 1512

Product differentiation can occur:

- A) only if the products are genuinely different
- B) only when the prices of the products are identical
- C) even when it is impossible to differentiate the physical characteristics of the product
- D) only when the products are physically different

Answer: <https://biology-forums.com/index.php?topic=859976>

Question 1513

Market signalling by an applicant for a job could result in the right selection and an appropriate salary.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860715>

Question 1514

A group of firms producing similar products is called:

- A) a consortium
- B) a conglomerate
- C) a multi-product corporation
- D) an industry

Answer: <https://biology-forums.com/index.php?topic=859726>

Question 1515

A previously unaffordable combination of commodities can become affordable if the consumer's income increases or if prices fall.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859439>

Question 1516

If an excise tax is imposed on an item whose demand is perfectly elastic:

- A) consumers will cease to purchase the item and avoid the tax completely
- B) producers will cease to produce the item and avoid the tax completely
- C) the government's revenue from the tax will be zero
- D) consumers will purchase the same quantity of the item and bear the full burden of the tax

Answer: <https://biology-forums.com/index.php?topic=859185>

Question 1517

In mathematical terms, a function:

- A) tells the work that a particular variable is to perform
- B) is a way of indicating which variables are important and which are not
- C) expresses a relationship among variables
- D) identifies all variables that affect economic activity

Answer: <https://biology-forums.com/index.php?topic=858610>

Question 1518

In a craft or trade union, the membership comprises:

- A) workers in a variety of occupations working in a single plant
- B) workers in a variety of occupations irrespective of where they work
- C) workers in a single occupation irrespective of where they work
- D) workers in a single occupation working in a single plant

Answer: <https://biology-forums.com/index.php?topic=860112>

Question 1519

A country that is well endowed with labour can be expected to have higher wage rates than a country with scarce labour resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860425>

Question 1520

The Water-Diamond paradox is also called:

- A) the paradox of thrift
- B) the paradox of value
- C) the resource-luxury paradox
- D) the paradox of utility

Answer: <https://biology-forums.com/index.php?topic=859289>

Question 1521

A unit of satisfaction is referred to as a:

- A) satisfact
- B) unisat
- C) util
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859247>

Question 1522

A monopolist will be earning positive economic profits provided that:

- A) $P > ATC$
- B) $AR > ATC$
- C) $TR > TC$
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859877>

Question 1523

If Patricia is in a situation where the marginal rate of substitution is equal to the ratio of the prices of the commodities, she can increase her satisfaction by moving to a position where the marginal rate of substitution is greater than the ratio of the prices of the commodities.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859458>

Question 1524

The marginal benefit (MB) curve for search slopes upward, reflecting the fact that the consumer derives more and more benefit from additional search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860675>

Question 1525

A consumer is said to be in equilibrium when:

- A) the consumer has spent all his or her income
- B) the consumer is maximizing his or her total utility
- C) the consumer buys a quantity that maximizes marginal utility
- D) the consumer has succeeded in minimizing marginal utility

Answer: <https://biology-forums.com/index.php?topic=859276>

Question 1526

Distribution according to need, distribution according to contributions, and distribution to all equally are all views on the equitable distribution of income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860280>

Question 1527

Which of the following is not necessary for the existence of Pareto optimality?

- A) The market price of each good must be the same to all customers
- B) Production must occur at the lowest possible cost
- C) Each consumer must be free to maximize his or her utility
- D) The output price must be set above marginal cost so that each firm can earn a normal profit

Answer: <https://biology-forums.com/index.php?topic=859793>

Question 1528

The marginal revenue product curve of labour is the firm's demand curve for labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860164>

Question 1529

Market failure may result from:

- A) imperfections in the market
- B) lack of information
- C) the existence of externalities
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860476>

Question 1530

If total revenue is greater than total cost, then the firm is maximizing its profits.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859815>

Question 1531

Under communism, economic decisions about what, how, and for whom are made by the government. However, the market plays a significant role in the determination of prices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860748>

Question 1532

Technological efficiency refers to:

- A) the use of high-tech methods of production
- B) the fact that production using modern technology is always superior to other methods of production
- C) the use of electronics in the production process
- D) efficiency in terms of input use without reference to cost

Answer: <https://biology-forums.com/index.php?topic=859488>

Question 1533

The production function expresses a relationship between a firm's output and its inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859575>

Question 1534

If marginal product equals average product:

- A) average product is at its maximum
- B) marginal product is at its maximum
- C) total product is at its maximum
- D) average product is rising

Answer: <https://biology-forums.com/index.php?topic=859527>

Question 1535

Information can reduce search costs and improve purchasing decisions.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860671>

Question 1536

Poverty hurts only those who are poor, not the society as a whole.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860315>

Question 1537

Effluent charges attempt to force polluters to internalize their costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860575>

Question 1538

The supply curve of labour is vertical because it is a derived supply.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860167>

Question 1539

Import quotas are likely to be more effective than tariffs in generating revenue for the government.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860470>

Question 1540

In the functional notation, independent variables are enclosed in brackets and separated by commas with no space between the variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858662>

Question 1541

Factors that affect supply include the number of producers, technology, expectations, the prices of production substitutes and complements, and the cost of inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858936>

Question 1542

An effluent fee is:

- A) a surtax imposed on the wealthy
- B) a fee for polluting the environment
- C) the cost of cleaning up the environment
- D) the money paid to private organizations who patrol companies and report environmental abuse

Answer: <https://biology-forums.com/index.php?topic=860521>

Question 1543

Refer to Table 7.3. EER(B) is:

- A) 0.13
- B) 1.06
- C) 7.40
- D) 0.94

Answer: <https://biology-forums.com/index.php?topic=859502>

Question 1544

The law of diminishing marginal utility states that as a consumer consumes more of a commodity:

- A) the total satisfaction increases
- B) the total satisfaction diminishes
- C) the utility derived from each additional unit diminishes after a while
- D) the marginal unit gives the same satisfaction as the price of the product

Answer: <https://biology-forums.com/index.php?topic=859266>

Question 1545

Consumer surplus is:

- A) an extra or additional benefit that consumers receive
- B) an extra amount that consumers are asked to pay over and above the equilibrium price
- C) the amount of extra output consumers receive over and above the equilibrium level of output
- D) the difference between the amount consumers would have paid for a good or service and the amount they actually pay

Answer: <https://biology-forums.com/index.php?topic=859134>

Question 1546

Whereas a union uses the strike as a weapon in a dispute, the employer uses a lockout.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860181>

Question 1547

A cartel is a group of firms that have little influence over the prices and output for the output decisions of the entire group.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860088>

Question 1548

Asymmetric information results in a price for the product that:

- A) is definitely higher than it would otherwise be
- B) is definitely lower than it would otherwise be
- C) may be either higher or lower than it would otherwise be
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860642>

Question 1549

Marginal utility is:

- A) the total satisfaction derived from consuming goods and services
- B) the extra satisfaction derived from consuming an additional unit of a good or service
- C) the total amount of money spent on goods and services at the margin
- D) the extra value an individual derives from earning an extra dollar of income

Answer: <https://biology-forums.com/index.php?topic=859255>

Question 1550

Which of the following is necessary for a market to exist?

- A) At least one buyer
- B) At least one seller
- C) A good or service
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858822>

Question 1551

Which of the following will cause a country's production possibility curve to stay in the same position?

- A) The economy obtains more resources
- B) The country's technology advances
- C) The prices of resources fall
- D) The quality of the country's resources improves

Answer: <https://biology-forums.com/index.php?topic=858743>

Question 1552

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 1553

A trading curve is a graph that shows the various combinations of two goods that can be traded for the same amount of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860437>

Question 1554

The marginal physical product of labour is the extra output produced by hiring an additional unit of labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860159>

Question 1555

If the price of a product is below its equilibrium level, then:

- A) excess quantity demanded will exert downward pressure on the price
- B) excess quantity demanded will exert upward pressure on the price
- C) excess quantity supplied will exert downward pressure on the price
- D) excess quantity supplied will force the price down even lower

Answer: <https://biology-forums.com/index.php?topic=858869>

Question 1556

Refer to Table 6.1. If the cookies are free, Alice will eat:

- A) seven cookies
- B) six cookies
- C) four cookies
- D) three cookies

Answer: <https://biology-forums.com/index.php?topic=859262>

Question 1557

If demand increases and supply decreases:

- A) price and quantity will both rise
- B) price will rise but the effect on quantity is indeterminate
- C) quantity will rise but the effect on price is indeterminate
- D) price and quantity will both fall

Answer: <https://biology-forums.com/index.php?topic=858882>

Question 1558

The marginal cost (MC) curve for search slopes downward, reflecting the fact that the marginal cost of acquiring additional information decreases as the consumer extends his or her search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860676>

Question 1559

Canada implemented a nation-wide carbon tax program in 2007.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860580>

Question 1560

Which of the following will not increase the demand for a good?

- A) A fall in the price of the good
- B) An increase in average income
- C) An increase in the price of a substitute good
- D) All of the above will increase demand

Answer: <https://biology-forums.com/index.php?topic=858842>

Question 1561

A good for which there is increased quantity demanded at higher prices is called:

- A) an irrational good
- B) an inferior good
- C) a Giffen good
- D) a luxury good

Answer: <https://biology-forums.com/index.php?topic=859419>

Question 1562

The purely competitive firm is in long-run equilibrium when

$MR = MC = AC = P$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859843>

Question 1563

Refer to Table 14.1. Country B has an absolute advantage in:

- A) the production of computers and coffee
- B) the production of computers
- C) the production of coffee
- D) neither coffee production nor computer production

Answer: <https://biology-forums.com/index.php?topic=860365>

Question 1564

Which of the following is an argument to support the use of tariffs?

- A) Tariffs support certain industries considered to be vital from an economic, a military, or a political point of view
- B) Tariffs raise revenue for the government
- C) Tariffs improve the country's balance-of-payments position
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860415>

Question 1565

The population of an island consists of 60 000 people, 35 000 of whom are females. The percentage of the population who are males is:

- A) 58.3%
- B) 41.7%
- C) 36.8%
- D) 63.2%

Answer: <https://biology-forums.com/index.php?topic=858649>

Question 1566

The budget line shifts outward in a parallel manner. This tells us that:

- A) the price of one of the items increased
- B) the price of one of the items decreased
- C) the consumer's income increased
- D) the consumer's income decreased

Answer: <https://biology-forums.com/index.php?topic=859365>

Question 1567

The imposition of a tax shifts the demand curve to the left and lowers equilibrium price. However, because consumers must also pay the tax, the total amount paid for the item increases. The end result is that the tax makes both buyers and sellers worse off.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859244>

Question 1568

Refer to Table 6.3. At a price of \$10:

- A) the market demand is 9
- B) the market demand is 4
- C) the market quantity demanded is 9
- D) the market quantity demanded is 4

Answer: <https://biology-forums.com/index.php?topic=859303>

Question 1569

The law of increasing opportunity cost states that:

- A) as time passes, the cost of an opportunity increases
- B) as opportunities in an economy increase, cost increases
- C) as the production of a commodity increases, the cost of the additional production decreases
- D) as the production of a commodity increases, the cost of the additional production also rises

Answer: <https://biology-forums.com/index.php?topic=858711>

Question 1570

In long-run equilibrium, competitive firms operate where:

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

Answer: <https://biology-forums.com/index.php?topic=859785>

Question 1571

Demand refers to the quantity of a good or service bought at a particular price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858889>

Question 1572

Opportunity cost refers to:

- A) the money spent to take advantage of opportunities
- B) the cost of purchasing or producing an item
- C) the alternative that is sacrificed (given up) when a choice is made
- D) the cost of the many opportunities that frequently present themselves

Answer: <https://biology-forums.com/index.php?topic=858695>

Question 1573

Examples of capital goods are:

- A) natural forests
- B) buildings, roads, machinery and tools
- C) wildlife and rivers
- D) the human efforts of heavy equipment operators

Answer: <https://biology-forums.com/index.php?topic=858489>

Question 1574

If purely competitive firms are earning positive economic profits, in the long run:

- A) new firms will enter the industry, thus causing profits to fall
- B) new firms will enter the industry, thus causing profits to rise
- C) the industry will resemble an oligopoly
- D) the industry will become a monopolistic environment

Answer: <https://biology-forums.com/index.php?topic=859782>

Question 1575

Allocative efficiency exists provided that:

- A) the firm charges the highest possible price
- B) the firm is maximizing its profits
- C) price equals marginal cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859901>

Question 1576

Demand refers to:

- A) the various quantities that people are willing and able to buy at various prices
- B) the various quantities that are ultimately bought at various prices
- C) the total amounts actually sold by firms
- D) the total amounts consumed by buyers

Answer: <https://biology-forums.com/index.php?topic=858826>

Question 1577

If X and Y are substitutes in consumption, an increase in the price of X is likely to cause:

- A) the demand curve for X to shift to the right
- B) the demand curve for X to shift to the left
- C) the demand curve for Y to shift to the right
- D) the demand curve for Y to shift to the left

Answer: <https://biology-forums.com/index.php?topic=858847>

Question 1578

Knowledge of price elasticity of supply is useful to farmers in their decision making.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859130>

Question 1579

If a purely competitive firm is producing an output at which marginal revenue equals marginal cost, it can increase its profits by:

- A) increasing its output
- B) decreasing its output
- C) increasing its price
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859750>

Question 1580

Which of the following accounts for interest rate differentials?

- A) The degree of risk
- B) The term to maturity
- C) The level of development of financial markets
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860150>

Question 1581

Average revenue is:

- A) the revenue per unit of output sold
- B) always greater than price
- C) always less than price
- D) total revenue divided by marginal revenue

Answer: <https://biology-forums.com/index.php?topic=859754>

Question 1582

An example of moral hazard is a homeowner who purchases home insurance and then acts in a manner that exposes the home to risk because it is insured.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860711>

Question 1583

In the long run, the firm has both fixed and variable factors.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859572>

Question 1584

Cleaning up the environment may result in a lower rate of economic growth.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860564>

Question 1585

The slope of the budget line is the same as the ratio of the prices of the items the consumer buys, but with a negative sign.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859436>

Question 1586

All of the following are main features of oligopoly except:

- A) the firms recognize their interdependence
- B) barriers to entry exist
- C) the industry comprises few firms
- D) the industry consists of a large number of firms

Answer: <https://biology-forums.com/index.php?topic=860008>

Question 1587

If marginal product is positive:

- A) total product is at a maximum
- B) average product must be rising
- C) total product must be rising
- D) total product must be falling

Answer: <https://biology-forums.com/index.php?topic=859524>

Question 1588

A cartel is likely to behave like:

- A) a monopolist
- B) a pure competitor
- C) an oligopoly

D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860033>

Question 1589

A concave curve is bowed outward from the origin, while a convex curve is bowed toward the origin.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858678>

Question 1590

A tariff is:

- A) a quantity limit imposed on imported goods
- B) when a country prohibits the import of certain goods
- C) a tax imposed on imported goods
- D) a tax imposed on the import of natural resources into Canada

Answer: <https://biology-forums.com/index.php?topic=860414>

Question 1591

A production possibility curve shows the various quantities of goods and/or services that an economy is actually producing.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858786>

Question 1592

Which of the following will change the slope of the budget line?

- A) An increase in the consumer's income
- B) A proportional increase in the prices of both items
- C) A change in the price of one of the items
- D) A decrease in the consumer's income

Answer: <https://biology-forums.com/index.php?topic=859368>

Question 1593

Other things being equal, a decrease in supply will result in:

- A) an increase in price and an increase in quantity
- B) a decrease in price and an increase in quantity
- C) a decrease in price and a decrease in quantity
- D) an increase in price and a decrease in quantity

Answer: <https://biology-forums.com/index.php?topic=858880>

Question 1594

Differentiated oligopoly is an oligopoly in which the firms' products are differentiated.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860071>

Question 1595

Refer to Figure 10.1. At the profit-maximizing output, the firm's total revenue is:

- A) OCDA
- B) OJKA
- C) OCQP
- D) OGHB

Answer: <https://biology-forums.com/index.php?topic=859882>

Question 1596

One of the shift parameters in a demand function is price because a change in price will shift the demand curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858992>

Question 1597

Which of the following is an example of an excise tax in Canada?

- A) A tax on gasoline
- B) A tax on cigarettes

- C) A tax on alcohol
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859176>

Question 1598

If method A uses 30 units of capital and 10 units of labour, while method B uses 35 units of capital and 12 units of labour, then we know that method B is technically more efficient than method A.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859556>

Question 1599

If a firm in monopolistic competition is in long-run equilibrium:

- A) price exceeds marginal cost
- B) price equals marginal cost
- C) price exceeds average cost
- D) price equals minimum average cost

Answer: <https://biology-forums.com/index.php?topic=859995>

Question 1600

In a monopolistically competitive industry:

- A) there are many firms producing homogeneous products
- B) there are few firms producing differentiated products
- C) there are many firms producing differentiated products
- D) there is a single firm producing a product that has many close substitutes

Answer: <https://biology-forums.com/index.php?topic=859973>

Question 1601

Average total cost is total cost divided by the quantity produced.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859689>

Question 1602

The monopolistic firm can:

- A) set both price and quantity
- B) set the price or the quantity, but not both
- C) set neither the price nor the quantity
- D) set the quantity but not the price

Answer: <https://biology-forums.com/index.php?topic=859868>

Question 1603

The arc formula for the price elasticity of demand:

- A) gives the same result for the coefficient only if there is a price increase
- B) gives the same result for the coefficient only if there is a price decrease
- C) gives the same result for the coefficient whether there is a price increase or a price decrease
- D) gives different coefficients for price increases and price decreases

Answer: <https://biology-forums.com/index.php?topic=859018>

Question 1604

If a factor is earning pure economic rent, its supply is:

- A) perfectly inelastic
- B) perfectly elastic
- C) unitary elastic
- D) inelastic

Answer: <https://biology-forums.com/index.php?topic=860136>

Question 1605

An economic forecast is a statement about the general direction of events resulting from the fulfilment of certain conditions.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858575>

Question 1606

The process by which unions and management arrive at an agreement through negotiations on the terms of employment is called:

- A) collective bargaining
- B) arbitration
- C) strikes
- D) lockouts

Answer: <https://biology-forums.com/index.php?topic=860120>

Question 1607

The cost of living and the standard of living are identical concepts.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858813>

Question 1608

Which of the following is not an attempt to adjust wages to the cost of living?

- A) Escalator clauses
- B) Indexation
- C) Cost of living adjustments (COLA)
- D) Consumer Price Index (CPI)

Answer: <https://biology-forums.com/index.php?topic=860131>

Question 1609

Advertisements of search goods tend to be packed with information, while advertisements of experience goods tend to be mainly persuasive.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860700>

Question 1610

An increase in the demand for land will result in a decrease in rent.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860196>

Question 1611

The price elasticity of demand along a linear demand curve is constant.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859091>

Question 1612

The demand curve facing a purely competitive firm is a straight line through the origin.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859822>

Question 1613

Which of the following is not an important factor in wage negotiations?

- A) The cost of living
- B) The gender of the majority of workers
- C) The productivity of workers
- D) Wage settlements in other industries

Answer: <https://biology-forums.com/index.php?topic=860129>

Question 1614

In Canada, the distribution of income has remained fairly constant over the past 20 years.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860296>

Question 1615

Effective barriers to entry lead to monopolies.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859922>

Question 1616

Information:

- A) has nothing at all to do with knowledge or experience
- B) is not subject to definition
- C) is anything that can be transmitted electronically
- D) can be defined as knowledge of specific events or situations

Answer: <https://biology-forums.com/index.php?topic=860593>

Question 1617

Utility analysis can be used to determine how a change in the price of a commodity affects the quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859349>

Question 1618

Variable costs are costs of resources whose prices change frequently.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859685>

Question 1619

A seller can signal product quality by offering warranties.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860716>

Question 1620

When MP rises, MC falls and when MP falls, MC rises.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859712>

Question 1621

The maximum price a consumer is willing to pay for each successive unit of any good or service indicates:

- A) the market equilibrium price
- B) the price trend set by other consumers
- C) the perceived value of that unit to the consumer
- D) the marginal cost to the producer

Answer: <https://biology-forums.com/index.php?topic=859140>

Question 1622

A downward-sloping demand curve implies a downward-sloping marginal revenue curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860051>

Question 1623

Examples of bads are cigarettes, alcohol, illicit drugs, and guns because they are harmful to individuals and to society.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858554>

Question 1624

Productive efficiency is the term used to describe a situation where the economy cannot increase its production of one commodity without reducing its production of some other commodity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858795>

Question 1625

A market structure in which there is a single firm producing a product that has no close substitutes is called:

- A) oligopoly
- B) monopoly

- C) pure competition
- D) monopolistic competition

Answer: <https://biology-forums.com/index.php?topic=859734>

Question 1626

Which of the following is an example of an economic "bad"?

- A) a tangible good for which there is no demand
- B) a good which is produced under monopoly conditions, and therefore is unfairly priced
- C) an unintentional side effect of the production process that lacks utility
- D) something which creates utility for consumers, but is undesired by the government

Answer: <https://biology-forums.com/index.php?topic=858484>

Question 1627

Which of the following is correct?

- A) $ATC = AVC - AFC$
- B) $ATC = AFC - AVC$
- C) $AFC = ATC + AVC$
- D) $AFC = ATC - AVC$

Answer: <https://biology-forums.com/index.php?topic=859634>

Question 1628

The difference between land and capital is that:

- A) land is natural, while capital is manufactured
- B) land is manufactured, while capital is a natural resource
- C) land is abundant, while capital is scarce
- D) land is scarce, while capital is abundant

Answer: <https://biology-forums.com/index.php?topic=858488>

Question 1629

One problem with the cap-and-trade system is that it allows one area to become much more polluted than is desirable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860584>

Question 1630

Cost-plus pricing is a pricing strategy in which a firm determines price simply by adding a certain percentage markup to its average cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860086>

Question 1631

A strength of the communist system is:

- A) it is perceived as fair
- B) fairness encourages participation
- C) everyone is guaranteed basic necessities
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860737>

Question 1632

The total fixed cost curve is a horizontal line.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859696>

Question 1633

Independent variables:

- A) are explained by dependent variables
- B) always stand alone
- C) explain changes in dependent variables
- D) are always exogenous variables

Answer: <https://biology-forums.com/index.php?topic=858619>

Question 1634

If the nominal rate of interest is 12%, and the rate of inflation is 4%, then the real rate of interest will be:

- A) 16%
- B) 3%
- C) 8%
- D) 12%

Answer: <https://biology-forums.com/index.php?topic=860152>

Question 1635

Which of the following statements is true?

- A) Demand/supply analysis is much too complicated for a mathematical approach
- B) Only elementary mathematics is used in economics
- C) The mathematics used in introductory demand and supply analysis can often be rudimentary
- D) Rudimentary mathematics has no place in introductory economics

Answer: <https://biology-forums.com/index.php?topic=858958>

Question 1636

An inefficient monopolist:

- A) will always incur losses
- B) can earn positive economic profits
- C) will charge a price equal to its marginal cost and thus minimize its profits
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859887>

Question 1637

If a fall in price from \$8 to \$6 causes an increase in quantity demanded from 300 to 500, then the coefficient of the price elasticity of demand is approximately:

- A) 0.375
- B) 1.0
- C) 0.75
- D) 2.67

Answer: <https://biology-forums.com/index.php?topic=859041>

Question 1638

Information is knowledge of specific events or situations derived from study, experience, or instruction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860665>

Question 1639

A production possibility curve is the only tool for showing the various quantities of goods and services that an economy can produce with given resources and given technology.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858788>

Question 1640

The post hoc fallacy refers to:

- A) the error in concluding that A causes B because A precedes B
- B) an error discovered after examining the facts
- C) an error resulting from "ad hoc" analysis
- D) the fact that A relates to B only if B comes after A

Answer: <https://biology-forums.com/index.php?topic=858532>

Question 1641

If a monopolistic firm is maximizing its profits, we know that:

- A) its marginal revenue equals its marginal cost
- B) it is operating where the difference between its total revenue and its total cost is greatest
- C) its price is greater than its marginal cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859874>

Question 1642

Refer to Table 6A.2. Which of the following bundles cannot be included in this set?

- A) One novel and six ice creams
- B) Four novels and three ice creams
- C) Two novels and four ice creams
- D) Any of the above can be included

Answer: <https://biology-forums.com/index.php?topic=859375>

Question 1643

When the price of ski lift tickets rises, people take fewer ski vacations to Whistler B.C. If L = the price of lift tickets, and V = vacations to Whistler B.C., then $V = f(L)$

True or False?

Answer: <https://biology-forums.com/index.php?topic=858657>

Question 1644

Marginal utility is a measure of the additional satisfaction derived from the consumption of an additional unit of a good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859314>

Question 1645

Advertising can result in:

- A) reduced search cost
- B) increased competition
- C) lower product prices
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860631>

Question 1646

Poverty can be defined in an absolute sense or in a relative sense.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860307>

Question 1647

The law of diminishing returns:

- A) applies only to situations where labour is the fixed factor
- B) applies only to situations where labour is the variable factor
- C) deals with a physical rather than a monetary phenomenon
- D) applies only to situations where land is the fixed factor

Answer: <https://biology-forums.com/index.php?topic=859536>

Question 1648

Rent control tends to increase the quantity of housing demanded and reduces the quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859216>

Question 1649

While lower prices tend to increase consumer surplus, technological advances that increase supply tend to have the opposite effect.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859199>

Question 1650

Which of the following is a direct cost of strikes?

- A) Lost wages
- B) Lost production
- C) Lost sales
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860127>

Question 1651

You earn \$200 a week at a part-time job. You are offered the choice of a raise of 8% or \$14. You are better off choosing the \$14 raise. True or False?

Answer: <https://biology-forums.com/index.php?topic=858692>

Question 1652

The marginal product of a variable input may be calculated by dividing the change in the total product by the change in the quantity of the variable input.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859586>

Question 1653

A surplus exists if:

- A) quantity supplied exceeds quantity demanded
- B) consumers are not willing to purchase the amount put on the market at that price
- C) the price is above the equilibrium level
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858870>

Question 1654

The profit-maximizing assumption has been largely abandoned by economists because it has not enabled them to predict the behaviour of firms with any success.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859553>

Question 1655

The short-run shutdown level of output for a firm in pure competition occurs where the firm's demand curve is tangent to the average variable cost curve at its minimum point.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859827>

Question 1656

The hypothesis that class attendance affects grades:

- A) has nothing to do with the functional notation
- B) can be expressed using the functional notation
- C) is not really a hypothesis in the true sense
- D) cannot be expressed by the functional notation

Answer: <https://biology-forums.com/index.php?topic=858612>

Question 1657

Examples of public goods are:

- A) public health
- B) education
- C) police protection
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860492>

Question 1658

Advertising can be:

- A) persuasive
- B) informative
- C) manipulative
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860626>

Question 1659

The incidence of an excise tax depends on:

- A) the elasticity of demand but not the elasticity of supply of the item

- B) the elasticity of supply but not the elasticity of demand for the item
C) the elasticity of demand and elasticity of supply of the item
D) the price of the item and its cost of production

Answer: <https://biology-forums.com/index.php?topic=859181>

Question 1660

Canada's economic system is best described as:

- A) a mixed economy
B) mixed private enterprise economy
C) socialistic capitalism
D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860730>

Question 1661

Refer to Table 7.2. If the prices of capital and labour were reversed:

- A) method A would be economically efficient
B) method B would be technically efficient
C) method C would be technically inefficient
D) method B would be economically efficient

Answer: <https://biology-forums.com/index.php?topic=859498>

Question 1662

Trade can be mutually beneficial if each country specializes in the production of the good in which it has a comparative advantage.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860442>

Question 1663

An increase in demand is represented on a graph by a movement down the demand curve or by an upward shift of the demand curve.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858923>

Question 1664

The least-cost combination of inputs is achieved when the ratio of the marginal product equals the ratio of the input prices.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859602>

Question 1665

A fall in the rate of interest is likely to result in:

- A) an outward shift of the demand curve for funds
B) an increase in the amount of funds the consumer will be willing to borrow
C) an increase in the demand for loanable funds
D) a decrease in the demand for loanable funds

Answer: <https://biology-forums.com/index.php?topic=860147>

Question 1666

The monopolistic firm can set its price or its quantity, but it cannot sell any quantity at any price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859929>

Question 1667

The higher the storage cost, the more elastic the supply of an item is likely to be.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859124>

Question 1668

Because monopolies can control the market, they always earn profits.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859945>

Question 1669

Advertising may:
A) increase demand
B) reduce unit cost
C) increase unit cost
D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860001>

Question 1670

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 1671

The total revenue curve for a firm in pure competition is a straight line that is parallel to the horizontal axis.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859820>

Question 1672

Economic analysis is an exercise in logic and thus helps to improve one's common sense.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858540>

Question 1673

Trade between two countries cannot be mutually beneficial if one country has an absolute advantage in the production of all goods and services.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860441>

Question 1674

The consumer will be in equilibrium (maximizing his or her satisfaction) when the ratio of the marginal utilities equals the ratio of the prices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859340>

Question 1675

The rate at which a consumer is willing to trade off units of one commodity for units of another while maintaining the same level of satisfaction is called the marginal rate of substitution.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859451>

Question 1676

Oranges and shoe polish are likely to have a cross-price elasticity of zero because they are substitute goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859111>

Question 1677

In a simple circular flow model with only households and firms:

A) firms buy resources in the factor market and sell goods and services in the product market
B) households buy resources in the factor market and sell goods and services in the product market
C) both households and firms buy resources in the product market and sell goods and services in the factor market
D) both households and firms buy goods and services in the factor market and sell resources in the product market

Answer: <https://biology-forums.com/index.php?topic=858762>

Question 1678

In order to graph data contained in tables, we need to know how to plot points on a graph.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858672>

Question 1679

Which of the following is true of poverty?

- A) It hurts the individual but not society
- B) It hurts society but not the individual
- C) It hurts the individual as well as society
- D) It is less of a problem than the media suggest

Answer: <https://biology-forums.com/index.php?topic=860239>

Question 1680

If union activity restricts labour mobility, then it will result in a misallocation of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860192>

Question 1681

For rent control to be effective, it must be set below the equilibrium price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859214>

Question 1682

Examples of oligopolies in Canada include:

- A) the automobile industry
- B) the tobacco industry
- C) the pharmaceutical industry
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859738>

Question 1683

The concept of a function:

- A) can be used only in sophisticated mathematics
- B) is applicable only in cases where only two variables are involved
- C) is a useful device for expressing relationships among two or more variables
- D) was invented by a mathematical economist to demonstrate that sophisticated mathematics can be used in economics

Answer: <https://biology-forums.com/index.php?topic=858611>

Question 1684

The activities of unions in some occupations result in equalization of wages in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860171>

Question 1685

A private profit-seeking firm:

- A) will be willing to provide a public good because of the high profit potential
- B) will be willing to provide a public good because there is a high demand for them
- C) will be unwilling to provide a public good because of its inability to enforce payment for its use
- D) can always count on public support for its activities

Answer: <https://biology-forums.com/index.php?topic=860496>

Question 1686

Which of the following has an elastic demand?

- A) A prescribed text book for a course
- B) Medication prescribed by a physician
- C) A product with many close substitutes
- D) Items which are insignificant in terms of your overall personal budget

Answer: <https://biology-forums.com/index.php?topic=859064>

Question 1687

If marginal utility is falling, then we know that total utility must also be falling.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859321>

Question 1688

According to the law of demand:

- A) the demand curve has a positive slope
- B) the demand curve has a negative slope
- C) an increase in income results in a fall in demand
- D) there is an inverse relationship between income and demand

Answer: <https://biology-forums.com/index.php?topic=858834>

Question 1689

The demand curve for the monopolistic firm is:

- A) the same as its marginal revenue curve
- B) identical to its average revenue curve
- C) the same as its total revenue curve
- D) perfectly elastic

Answer: <https://biology-forums.com/index.php?topic=859870>

Question 1690

Economics helps us to understand the economy, but it does not help us to understand society.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858539>

Question 1691

If a firm spends \$50 000 on advertising a product that is quickly discontinued and taken off the market, the firm's advertising costs are said to be "sunk."

True or False?

Answer: <https://biology-forums.com/index.php?topic=859680>

Question 1692

The observation that many firms produce several different but closely related products can be explained by:

- A) economies of scale
- B) economies of scope
- C) the cluster theory of production
- D) the theory of minimum efficient scale

Answer: <https://biology-forums.com/index.php?topic=859669>

Question 1693

If the average revenue curve is downward sloping, then the marginal revenue curve is below the average revenue curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859935>

Question 1694

Refer to Table 6.1. For Alice, diminishing marginal utility sets in after she consumes:

- A) the first cookie
- B) the third cookie
- C) the sixth cookie
- D) the seventh cookie

Answer: <https://biology-forums.com/index.php?topic=859261>

Question 1695

The monopolistically competitive firm faces:

- A) a horizontal demand curve
- B) a downward sloping demand curve

- C) a vertical demand curve
- D) an upward sloping demand curve

Answer: <https://biology-forums.com/index.php?topic=859986>

Question 1696

The monopolistic firm is:

- A) a price-taker and a quantity-giver
- B) a price-taker and a quantity-adjuster
- C) a price-taker and a quantity-taker
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859867>

Question 1697

A significant part of Canada's exports consists of raw materials.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860454>

Question 1698

Refer to Figure 9.2. The firm's total cost is:

- A) 0EAQ
- B) 0PBQ
- C) 0DCQ
- D) EDCA

Answer: <https://biology-forums.com/index.php?topic=859774>

Question 1699

A union may attempt to shift the equilibrium wage rate upward by shifting the labour demand curve to the left.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860187>

Question 1700

When each firm in a monopolistically competitive industry is earning only normal profits, the entry and exit of firms will cease, and long-run equilibrium will be achieved.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860059>

Question 1701

A carbon tax:

- A) is an effective device for reducing the level of pollution
- B) is a tax imposed on items that emit nitrogen
- C) has been used in Canada since 2007
- D) requires all cigarette and cigar producers to contribute 2 percent of revenues to environmental protection programs

Answer: <https://biology-forums.com/index.php?topic=860530>

Question 1702

Other things being equal, a change in the price of one of the commodities that the consumer buys causes the slope of the budget line to change.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859438>

Question 1703

The number of professors at an Ontario college in 2010 was 300 and the student population was 6500. The number of professors expressed as a percentage of the student population was:

- A) 15.6%
- B) 4.61%
- C) 5.39%
- D) 21.67%

Answer: <https://biology-forums.com/index.php?topic=858647>

Question 1704

Which of the following is correct?

- A) Individuals have to make choices, but society as a whole does not have to make choices
- B) Society is not confronted with scarcity because society owns all the resources
- C) Individuals, as well as society, must make choices
- D) Society does not have to give up anything to get something else

Answer: <https://biology-forums.com/index.php?topic=858471>

Question 1705

Decreasing returns to scale may be due to management inefficiency.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859719>

Question 1706

An open shop arrangement is one whereby an employee does not necessarily have to be a union member to obtain or keep a job.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860173>

Question 1707

Which of the following is not an economic function of profits?

- A) They serve as a signal for resource allocation
- B) They reward the enterprising
- C) They create monopolies
- D) They provide a motive for efficiency

Answer: <https://biology-forums.com/index.php?topic=860156>

Question 1708

The statement that an increase in the price of a product will cause people to buy less of that product is an example of an economic prediction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858576>

Question 1709

Open-access resources are resources that are difficult or costly to exclude individuals from using.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860568>

Question 1710

Although most people seem to agree that income and wealth should be shared in some manner that is fair, no general agreement exists on what constitutes fairness.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860279>

Question 1711

Refer to Figure 6A.3. As the consumer moves from A to D:

- A) total utility increases
- B) the consumer's income has increased
- C) total utility increases
- D) the relative quantities of food and clothing changes

Answer: <https://biology-forums.com/index.php?topic=859392>

Question 1712

Market imperfections:

- A) cause all players in the market to sustain losses
- B) lead to lower output prices and lower production costs
- C) lead to a misallocation of society's resources
- D) never require government regulation

Answer: <https://biology-forums.com/index.php?topic=860479>

Question 1713

Relative poverty is:

- A) poverty that results from a culture of poverty
- B) poverty that results from establishing a poverty line
- C) poverty that results from raising the low-income cut-off
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860248>

Question 1714

If existing land is brought into cultivation, the economy's production possibility curve will:

- A) shift outward
- B) shift towards the origin
- C) not be affected
- D) become concave instead of linear

Answer: <https://biology-forums.com/index.php?topic=858741>

Question 1715

Economic theory assumes that the objective of consumers is to:

- A) buy as many goods and services as possible
- B) save as much money as possible
- C) work hard and become wealthy
- D) maximize their total satisfaction

Answer: <https://biology-forums.com/index.php?topic=859274>

Question 1716

Inferior goods are goods of poor quality.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858914>

Question 1717

Competent economists never disagree because economics is a science.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858588>

Question 1718

Suppose Canada produces relatively more capital goods and relatively fewer consumer goods, while Australia produces relatively more consumer goods and relatively fewer capital goods. Other things being equal:

- A) Canada's production possibility curve will shift out more quickly than Australia's
- B) Australia's production possibility curve will shift out more quickly than Canada's
- C) it is impossible to tell which country's production possibility curve will shift out more quickly
- D) neither country's production possibility curve will shift outward

Answer: <https://biology-forums.com/index.php?topic=858739>

Question 1719

Because the monopolist is the only firm in the industry, the monopolist's price must be the same as the purely competitive price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859954>

Question 1720

Mathematical models always have greater predictive powers than non-mathematical models.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858579>

Question 1721

Which of the following statements is true?

- A) Bads are produced only by evil people
- B) Bads are items like cigarettes and alcohol that are known to harm people
- C) Human activity often results in the production of bads
- D) In a modern, civilized society, bads are produced only by accident

Answer: <https://biology-forums.com/index.php?topic=858483>

Question 1722

A market is considered to be imperfect if:

- A) individual buyers and sellers have so much market power that they can influence the prices of inputs and outputs
- B) the products that are being traded in the market are substandard
- C) the products that are traded have been contaminated
- D) monopolies do not exist

Answer: <https://biology-forums.com/index.php?topic=860478>

Question 1723

Implicit costs are opportunity costs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859675>

Question 1724

A payoff matrix is a table that shows:

- A) how much one player owes the other
- B) how much each player has to pay to enter the game
- C) the outcomes of various strategies in a game
- D) how co-operation will benefit the players

Answer: <https://biology-forums.com/index.php?topic=860038>

Question 1725

Most of Canada's imports come from:

- A) Germany
- B) France
- C) Japan
- D) the United States

Answer: <https://biology-forums.com/index.php?topic=860410>

Question 1726

If advertising is successful, it will:

- A) reduce demand and raise cost
- B) reduce demand and lower cost
- C) increase demand and raise profits
- D) reduce demand and raise profits

Answer: <https://biology-forums.com/index.php?topic=860002>

Question 1727

The business sector purchases resources in the factor market and converts them into goods and services for sale in the product market.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858821>

Question 1728

Which of the following is correct?

- A) Economic growth is one of the causes of environmental pollution
- B) Economic progress exacts a cost
- C) Economic growth will help to solve the pollution problem
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860502>

Question 1729

Economics is a social science because it deals with human behaviour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858548>

Question 1730

If the demand and supply equations are given as $P = 12 - 2QD$ and $P = 4QS$ then:

- A) the equilibrium price = 12 and the equilibrium quantity = 4

B) the equilibrium price = 4 and the equilibrium quantity = 12
C) the equilibrium price = 2 and the equilibrium quantity = 8
D) the equilibrium price = 8 and the equilibrium quantity = 2
Answer: <https://biology-forums.com/index.php?topic=858978>

Question 1731

The consumer will maximize his or her satisfaction provided that the marginal rate of substitution is equal to the ratio of the prices of the commodities.
True or False?
Answer: <https://biology-forums.com/index.php?topic=859457>

Question 1732

Along a linear demand curve, the slope is constant, but the price elasticity of demand varies.
True or False?
Answer: <https://biology-forums.com/index.php?topic=859092>

Question 1733

In the principle referred to as the "lemon problem," the word "lemon" stands for:
A) the actual fruit, purchased at a fruit farm, not the grocery store
B) any product which is falsely advertised
C) the defective product
D) any illegal product that is sold on the black market
Answer: <https://biology-forums.com/index.php?topic=860644>

Question 1734

A negative income tax system is a scheme whereby:
A) the government pays a subsidy to low income people to provide them with a guaranteed minimum income
B) the amount paid in taxes decreases as income increases
C) taxes are prevented from becoming negative
D) the government prohibits any over-payment on personal income tax to be refunded
Answer: <https://biology-forums.com/index.php?topic=860275>

Question 1735

If average variable cost is falling, then marginal cost must be falling also.
True or False?
Answer: <https://biology-forums.com/index.php?topic=859703>

Question 1736

The consumer's demand curve can be derived from:
A) the Engel curve for a normal good
B) the Engel curve for an inferior good
C) the income consumption curve
D) the price consumption curve
Answer: <https://biology-forums.com/index.php?topic=859417>

Question 1737

When the price of a product increases from \$10 to \$12, the quantity demanded falls from 500 to 400. The price elasticity of demand coefficient is approximately:
A) 3.0
B) 1.0
C) 0.2
D) 2.0
Answer: <https://biology-forums.com/index.php?topic=859040>

Question 1738

In the long run, a firm in monopolistic competition will earn zero economic profits.
True or False?
Answer: <https://biology-forums.com/index.php?topic=860058>

Question 1739

The market supply curve shows a relationship between:

- A) price and quantity supplied
- B) price and the cost of production
- C) income and quantity supplied
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=858857>

Question 1740

Which of the following is an important factor in determining comparative advantage?

- A) Special knowledge
- B) Acquired advantage
- C) Natural endowment
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860393>

Question 1741

A price ceiling occurs when the price is so high that only a few consumers can afford to buy the item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859206>

Question 1742

Interest income is independent of the rate of interest.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860205>

Question 1743

Which of the following is an example of a private cost?

- A) The wages paid to a worker at an automobile assembly plant
- B) The pollution caused by a factory
- C) The amount spent to reduce the crime rate in a certain community
- D) The amount spent to increase literacy rates in Northern Canada

Answer: <https://biology-forums.com/index.php?topic=860482>

Question 1744

In the purely competitive model:

- A) the firm establishes the equality of price and MC
- B) the firm sells its product at a price just equal to the opportunity cost
- C) long-run competitive equilibrium occurs where price equals minimum average cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859794>

Question 1745

The situation in which certain groups are targeted for different treatment in the labour market is called:

- A) price discrimination
- B) target market discrimination
- C) economic discrimination
- D) gender discrimination

Answer: <https://biology-forums.com/index.php?topic=860258>

Question 1746

Which of the following is classified as land?

- A) Minerals embedded in the earth
- B) Natural waterfalls
- C) Oxygen in the air
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858487>

Question 1747

Economic efficiency ratio is the ratio of the value of the output to the cost of the inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859563>

Question 1748

The obvious solution to the common-pool problem is to use tax incentives to encourage the use of open-access resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860571>

Question 1749

Refer to Figure 15.1. This society is spending the right amount on pollution abatement at a level of:

- A) Q1
- B) Q2
- C) Q3
- D) Q4

Answer: <https://biology-forums.com/index.php?topic=860512>

Question 1750

To be scientific, an economic model must be expressed in fairly advanced mathematics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858570>

Question 1751

Independent variables explain changes in dependent variables.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858663>

Question 1752

Moral hazard is the tendency for one party in a contract to behave, after the contract is negotiated and signed, in a manner that is detrimental to the other party of the contract.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860708>

Question 1753

The demand and supply equations are given as $QD = 50 - 4P$ and $QS = 20 + 6P$ respectively. The equilibrium price and equilibrium quantity are 38 and 3 respectively.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859005>

Question 1754

A point outside (to the right) of the production possibilities curve:

- A) is inefficient
- B) has significant unemployed resources
- C) is desirable but unattainable
- D) has increasing opportunity costs

Answer: <https://biology-forums.com/index.php?topic=858724>

Question 1755

If 2% of the households control 95% of the total income and wealth in a society, then it is safe to say that income is unequally distributed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860289>

Question 1756

If marginal cost is positive:

- A) average total cost must rise
- B) average variable cost will rise
- C) average fixed cost will rise
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859639>

Question 1757

Although market imperfections may lead to market failure, they do not lead to a misallocation of society's resources.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860545>

Question 1758

A purely competitive firm can increase its total revenue by raising its price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859809>

Question 1759

The production function is a technical relationship between:

- A) variable factors and fixed factors
- B) fixed factors and inputs
- C) inputs and output
- D) production and consumption

Answer: <https://biology-forums.com/index.php?topic=859513>

Question 1760

If average total cost is falling:

- A) marginal cost must be falling
- B) marginal cost must be negative
- C) marginal cost must be less than average total cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859636>

Question 1761

Total product will be at its maximum when marginal product is at its maximum.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859588>

Question 1762

A family is poor, in a relative sense:

- A) if it has an annual income of less than \$35 000
- B) if it has an annual income of \$80 000, while other families have incomes in excess of \$250 000
- C) if it cannot afford to buy everything it wants
- D) if it has an annual income of less than \$50 000

Answer: <https://biology-forums.com/index.php?topic=860246>

Question 1763

Pure economic rent refers to:

- A) the income earned by a landlord as rent for a building
- B) the money paid to a car rental firm for the use of a car
- C) the return on a productive factor whose supply is fixed
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860135>

Question 1764

All combinations of commodities on the budget line are equally satisfying to the consumer.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859432>

Question 1765

If market signals are true, they increase the problem of adverse selection.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860713>

Question 1766

The market demand curve is:

- A) the vertical summation of the individual demand curves
- B) the horizontal summation of the individual demand curves
- C) any individual demand curve multiplied by the number of individuals in the market
- D) unrelated to the individual demand curve

Answer: <https://biology-forums.com/index.php?topic=859301>

Question 1767

A fall in the price of an item allows the consumer to:

- A) attain a higher level of satisfaction
- B) purchase more of the item whose price has fallen
- C) adjust his or her equilibrium position
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859416>

Question 1768

A firm is earning positive economic profits as long as its price is above its average variable cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859829>

Question 1769

Rent can be viewed as a return on a factor of production over and above its opportunity cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860200>

Question 1770

Canada exports approximately:

- A) 2% of its total output
- B) 15% of its total output
- C) 30% of its total output
- D) 70% of its total output

Answer: <https://biology-forums.com/index.php?topic=860401>

Question 1771

Marginal cost is:

- A) the extra cost incurred by producing an additional unit of output
- B) total cost divided by the quantity of inputs
- C) total cost divided by the quantity of output
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859635>

Question 1772

On a graph, the vertical axis is labelled y while the horizontal axis is labelled x. If $x = 4$ and $y = 6$, then we know that:

- A) the x and y values can never intersect
- B) the x and y values will appear in different quadrants on the graph
- C) these values cannot be located by a common point on the graph
- D) we can locate the point represented by these values by the intersection of the x and y coordinates

Answer: <https://biology-forums.com/index.php?topic=858623>

Question 1773

An Engel curve shows the relationship between income and consumption.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859463>

Question 1774

The firm's demand curve for labour is:

- A) a horizontal line at the wage rate

- B) downward sloping
- C) its average product curve
- D) its average revenue curve

Answer: <https://biology-forums.com/index.php?topic=860101>

Question 1775

Other things being equal, an increase in demand will result in:

- A) an increase in price and a fall in quantity
- B) a fall in price and an increase in quantity
- C) an increase in price and an increase in quantity
- D) a fall in price and a fall in quantity

Answer: <https://biology-forums.com/index.php?topic=858878>

Question 1776

Business cycles are:

- A) cycles used by businesspeople during the period of the Great Depression to reduce transportation costs
- B) production levels that tend to go round and round in a circular fashion with changes in the volume of output
- C) another name for circular flow
- D) fairly regular periods of ups and downs in aggregate output

Answer: <https://biology-forums.com/index.php?topic=858749>

Question 1777

Gasoline taxes are an example of an excise tax.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859237>

Question 1778

Disagreement among economists over normative economics can generally be settled by observing the facts.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858591>

Question 1779

A pricing strategy in which firms determine price by adding a certain percentage markup on cost is called:

- A) marginal pricing
- B) markup pricing
- C) profit pricing
- D) cost-plus pricing

Answer: <https://biology-forums.com/index.php?topic=860030>

Question 1780

An excise tax is a tax on imported goods.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859236>

Question 1781

The minimum efficient scale is:

- A) the point at which increasing returns to scale begin
- B) the point at which decreasing cost begins
- C) the point at which increasing returns to scale end and constant returns to scale begin
- D) there are diseconomies of scale

Answer: <https://biology-forums.com/index.php?topic=859666>

Question 1782

When marginal product is at its maximum, marginal cost is at its minimum.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859710>

Question 1783

Variable costs are incurred only if the firm produces some positive level of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859686>

Question 1784

If the demand for a product is perfectly inelastic, the demand curve for that product will be:

- A) horizontal
- B) downward sloping
- C) vertical
- D) upward sloping

Answer: <https://biology-forums.com/index.php?topic=859035>

Question 1785

If A and B are consumption complements, a fall in the price of A is likely to cause:

- A) the demand curve for B to shift to the right
- B) the demand curve for B to shift to the left
- C) the demand curve for A to shift to the right
- D) the demand curve for A to shift to the left

Answer: <https://biology-forums.com/index.php?topic=858849>

Question 1786

If the average revenue curve is downward sloping, then the marginal revenue is negative.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859934>

Question 1787

Refer to Figure 4.1. Suppose the elasticity coefficient of demand is 2.3 for D1, and 0.77 for D. A 1% increase in price will result in an increase in total revenue for:

- A) D3 only
- B) D1 only
- C) D and D2
- D) D and D1

Answer: <https://biology-forums.com/index.php?topic=859058>

Question 1788

Refer to Table 14.3. If country A specializes in radios, it will be able to produce a total of:

- A) 5100 radios
- B) 25 000 radios
- C) 6000 radios
- D) 90 000 radios

Answer: <https://biology-forums.com/index.php?topic=860386>

Question 1789

The Rand Formula has been outlawed in most Canadian industries.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860178>

Question 1790

The 20% club refers to:

- A) the efforts of a group of companies to slow down production levels in an attempt to reduce air pollution by 20%
- B) the group of municipalities whose objective was to reduce greenhouse gas emissions by 20% by 2005
- C) the 20 countries who signed the Kyoto agreement to reduce greenhouse gas emissions, but within one year refused to participate
- D) the provinces who successfully achieved a 20% rate of economic growth and, at the same time, achieved a 20% reduction in greenhouse gases

Answer: <https://biology-forums.com/index.php?topic=860534>

Question 1791

If a country operates under conditions of constant opportunity cost, its production possibility curve will be:

- A) horizontal
- B) upward sloping and linear
- C) upward sloping and concave

D) downward sloping and linear

Answer: <https://biology-forums.com/index.php?topic=860380>

Question 1792

Refer to Figure 5.4. Consumer surplus is the same as producer surplus because there is a common equilibrium price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859203>

Question 1793

Which of the following is an example of a negative externality?

- A) Solid waste
- B) Acid rain
- C) Smog
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860489>

Question 1794

The law of demand assumes that all influences on quantity demanded, except the price of the item, are constant.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858899>

Question 1795

The union movement has achieved which of the following results?

- A) Wage increases for their members
- B) Job security for their members
- C) Lobbied successfully for legislation and programs to improve the lives of ordinary workers.
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860111>

Question 1796

The individual consumer's demand curve is:

- A) the section of the market demand curve above the equilibrium point
- B) the section of the market demand curve below the equilibrium point
- C) identical to the market demand curve
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859300>

Question 1797

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 1798

Producer surplus is:

- A) the same as the equilibrium price since buyers and sellers agree on that price
- B) the amount of a product that sellers will be able and willing to sell at prices above the equilibrium level
- C) the difference between the amount that producers receive from selling an item and the amount they would have accepted for the item
- D) also referred to as fair market price

Answer: <https://biology-forums.com/index.php?topic=859145>

Question 1799

Profit is defined as the difference between total revenue and total cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859552>

Question 1800

Refer to Figure 3.1. The equilibrium price and quantity are respectively:

- A) \$12 and 20
- B) \$8 and 30
- C) \$4 and 40
- D) \$4 and 20

Answer: <https://biology-forums.com/index.php?topic=858875>

Question 1801

A Giffen good is:

- A) identical to an inferior good
- B) one whose quantity demanded rises as its price rises and falls as its price falls, other things being equal
- C) one whose quantity demanded rises as its price falls and falls as its price rises, other things being equal
- D) a good with a constant price

Answer: <https://biology-forums.com/index.php?topic=859418>

Question 1802

In the circular flow model:

- A) resources flow from the product market to the factor market
- B) resources flow from households to the factor market
- C) households buy resources in the product market
- D) firms sell resources in the product market to households

Answer: <https://biology-forums.com/index.php?topic=858756>

Question 1803

Criteria for income distribution include:

- A) distribution according to contributions
- B) distribution according to need
- C) equal distribution to all
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860217>

Question 1804

Classic examples of public goods are public health services, education, national defence, and police protection.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860555>

Question 1805

Resources to which everyone has unrestricted access are called:

- A) open-access resources
- B) unrestricted access resources
- C) public resources
- D) free factors

Answer: <https://biology-forums.com/index.php?topic=860505>

Question 1806

As the consumer moves down an indifference curve:

- A) the level of satisfaction derived will vary
- B) the combination of goods preferred will remain constant although the level of satisfaction will vary
- C) the combination of goods preferred will vary, while the level of satisfaction will remain constant
- D) the combination of goods preferred and the level of income will remain constant

Answer: <https://biology-forums.com/index.php?topic=859388>

Question 1807

Which of the following is a positive statement?

- A) Every university or college student ought to take at least one course in economics
- B) Canada produced \$1600 billion worth of goods and services last year
- C) The government should reduce the debt by at least 10% annually over the next few years
- D) The Universal Child Care payment should only be paid to families with children aged 0-6 years whose combined family income is less than \$55 000 annually

Answer: <https://biology-forums.com/index.php?topic=858520>

Question 1808

The act of choosing always involves:

- A) making someone worse off
- B) spending money
- C) fair exchange
- D) giving up something

Answer: <https://biology-forums.com/index.php?topic=858693>

Question 1809

The poverty line is:

- A) a geographical line dividing rich areas within a country from poor areas within that same country
- B) the line that demarcates advanced nations from underdeveloped nations
- C) an arbitrary level of income below which poverty is said to exist
- D) the level of income which separates transfer payment recipients from the rest of society

Answer: <https://biology-forums.com/index.php?topic=860241>

Question 1810

Scientific inquiry differs from other types of inquiry in that scientific inquiry:

- A) is necessarily more lengthy
- B) relies solely on the use of mathematics
- C) relates questions to evidence
- D) always results in absolute truth

Answer: <https://biology-forums.com/index.php?topic=858503>

Question 1811

Average total cost consists of average fixed cost and marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859690>

Question 1812

On a production possibilities graph illustrating iPods and iPads, if the trade-off between the two goods is fixed we know:

- A) there are increasing opportunity costs
- B) the production possibilities curve is convex
- C) the production possibilities curve is concave
- D) there are constant opportunity costs

Answer: <https://biology-forums.com/index.php?topic=858719>

Question 1813

Opportunity cost is:

- A) the highest price that firms are allowed to charge for their products
- B) always lower than the price of the item so that the seller can make a profit
- C) equal to the profits that firms make
- D) the next best alternative that is sacrificed when a choice is made

Answer: <https://biology-forums.com/index.php?topic=858704>

Question 1814

If purely competitive firms are incurring losses, in the long run:

- A) new firms will enter the industry to rescue the losing firms
- B) each firm will adjust its price until profits are realized
- C) firms will leave the industry and the price will fall to encourage customers to purchase larger quantities
- D) firms will leave the industry and the price will increase

Answer: <https://biology-forums.com/index.php?topic=859783>

Question 1815

Oligopoly refers to:

- A) an industry with a large number of sellers, none of which has any influence on the price of its product
- B) an industry with few firms, each producing a large proportion of the total industry output
- C) a group of firms that have decided to act as a single firm to control the industry

D) a single firm who has complete control of price

Answer: <https://biology-forums.com/index.php?topic=860005>

Question 1816

Whenever a surplus exists on the market, it will exert a downward pressure on the price; and whenever a shortage exists, it will exert an upward pressure on the price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858946>

Question 1817

Depreciation is an example of implicit cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859677>

Question 1818

Exogenous variables:

- A) may affect the endogenous variables
- B) cannot affect the endogenous variables because they are outside the model
- C) are of no importance to economists
- D) are rarely a concern in economic modelling

Answer: <https://biology-forums.com/index.php?topic=858526>

Question 1819

Merit goods are:

- A) goods or services that the government has determined to be necessary and therefore mandatory for society
- B) goods that are so well made that they have won many awards
- C) goods and services produced by the company called Merit Selection
- D) goods or services that are so important in society that the government provides them for free

Answer: <https://biology-forums.com/index.php?topic=860498>

Question 1820

A change in the price of a good or service, other things being equal, will cause a movement along the demand curve for that good or service.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858903>

Question 1821

If the wage rate falls, other things being equal, firms will tend to hire more labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860158>

Question 1822

The Gini coefficient is:

- A) the ratio of household income to total income
- B) the fraction of the government's budget spent to reduce inequality
- C) the area enclosed by the Lorenz curve and the line of perfect equality
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860231>

Question 1823

A fall in the price of an item bought by a consumer, other things being equal, will:

- A) increase marginal utility per dollar spent on the item
- B) decrease marginal utility per dollar spent on the item
- C) increase marginal utility for every unit of the item consumed
- D) increase total utility for every unit of the item consumed

Answer: <https://biology-forums.com/index.php?topic=859297>

Question 1824

Rent control causes a problem in the market system because price is not allowed to rise in response to the shortage created by the rent control.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859218>

Question 1825

Canada's most important export market is:

- A) Great Britain
- B) the United States
- C) Japan
- D) France

Answer: <https://biology-forums.com/index.php?topic=860406>

Question 1826

Featherbedding is the practice of providing workers with unnecessary work to keep them on the payroll.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860176>

Question 1827

If demand and supply both increase, but the increase in demand is greater than the increase in supply, we would expect:

- A) a higher equilibrium price and a lower equilibrium quantity
- B) a lower equilibrium price and a lower equilibrium quantity
- C) a higher equilibrium price and a greater equilibrium quantity
- D) a lower price and a greater equilibrium quantity

Answer: <https://biology-forums.com/index.php?topic=858885>

Question 1828

Marginal revenue is that revenue that maximizes the firm's profit margin.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859818>

Question 1829

If a firm produces 500 units at a total cost of \$200, and sells each unit at a price of \$0.75, the economic efficiency ratio is 175.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859564>

Question 1830

In which of the following positions are you least likely to find an economics graduate?

- A) advisor at the Bank of Canada
- B) planner for the City of Toronto, Department of Public Affairs
- C) retail manager at Sport Chek
- D) professor

Answer: <https://biology-forums.com/index.php?topic=858454>

Question 1831

Canada exports about 10% of its total output of goods and services.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860452>

Question 1832

The supply curve for an item will always shift in response to a change in the price of the item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858938>

Question 1833

If $MR = MC$ for an oligopolist, what should it do to increase its profits ?

- A) Raise its price
- B) Lower its price
- C) Reduce its output
- D) None of the above

Answer: <https://biology-forums.com/index.php?topic=860020>

Question 1834

In the long run, a firm in monopolistic competition:

- A) will earn positive economic profits
- B) will earn normal profits
- C) will incur losses as new firms enter the industry
- D) will earn exceptionally high profits

Answer: <https://biology-forums.com/index.php?topic=859993>

Question 1835

As long as economists use the same economic models, there can never be any disagreements among them.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858590>

Question 1836

A curve with a negative slope tells that two variables are not related.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858676>

Question 1837

The rate at which the consumer is willing to trade off one commodity for another is referred to as:

- A) the trade-off specification rate
- B) the indifference curve
- C) the consumption possibility rate
- D) the marginal rate of substitution

Answer: <https://biology-forums.com/index.php?topic=859382>

Question 1838

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 1839

One of the costs of economic growth is environmental deterioration.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860562>

Question 1840

The firm's total fixed costs increase as it increases its volume of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859688>

Question 1841

If two countries engage in international trade:

- A) one can gain only at the expense of the other
- B) both will lose because of the cost of transportation
- C) both countries can benefit
- D) the one with the least valued currency will be at a disadvantage

Answer: <https://biology-forums.com/index.php?topic=860354>

Question 1842

Which of the following is an example of market signalling?

- A) The offer of a warranty on a product
- B) providing potential employers with letters of recommendation
- C) providing an insurance company with health records
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860657>

Question 1843

Direct payments for labour services and raw materials are examples of explicit costs.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859676>

Question 1844

The short-run competitive industry supply curve is derived by adding horizontally the average cost curves of all the firms in the industry.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859836>

Question 1845

The demand and supply equations are $P = 42 - QD$ and $P = 2QS$. At a price of 20:

- A) a shortage of 22 exists
- B) a shortage of 12 exists
- C) a surplus of 22 exists
- D) a surplus of 12 exists

Answer: <https://biology-forums.com/index.php?topic=858979>

Question 1846

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 1847

From a strictly economic point of view, a community should continue to spend money on pollution abatement until the point where:

- A) the marginal social benefit equals the marginal social cost
- B) the marginal social benefit exceeds the marginal social cost
- C) the marginal social cost exceeds the marginal social benefit
- D) the level of pollution reaches zero

Answer: <https://biology-forums.com/index.php?topic=860516>

Question 1848

A purchase possibility schedule is:

- A) a table that shows various combinations of goods and services that a consumer can purchase for the same amount of money
- B) a table that shows exactly how a consumer will allocate his or her money between the goods and services that he or she buys
- C) a table that illustrates how consumers respond to an increase in income
- D) a table that shows the various combinations of goods and services that consumers would buy if the possibilities were offered to them

Answer: <https://biology-forums.com/index.php?topic=859357>

Question 1849

Another name for an inferior good is a Giffen good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859470>

Question 1850

Refer to Figure 8.1. The total fixed cost is represented by the rectangle:

- A) OPSE
- B) FRQG
- C) RPSQ
- D) ORQE

Answer: <https://biology-forums.com/index.php?topic=859656>

Question 1851

Human capital refers to the technology used by humans, which allows them to do their jobs faster thus increasing productivity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858559>

Question 1852

Market failure refers to malfunctions in the market mechanism that result in the inability of the price system to achieve efficient allocation of resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860540>

Question 1853

Open-access resources are resources that are difficult or costly to exclude individuals from using. Examples of open-access resources are lakes, the air, and wildlife.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860565>

Question 1854

Even though Canada has large supplies of various resources, it still faces scarcity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858543>

Question 1855

Product differentiation can be effective:

- A) only if the differences between the products are real
- B) only if the firms vigorously advertise the differences between their products
- C) even if the differences between the products are imaginary
- D) even if there is no perceived difference between the products

Answer: <https://biology-forums.com/index.php?topic=859981>

Question 1856

Market signalling can:

- A) be an effective barrier to entry into an industry
- B) often reduce the flow of information
- C) be used to provide information
- D) never be effective in reducing the problem of adverse selection

Answer: <https://biology-forums.com/index.php?topic=860655>

Question 1857

Refer to Table 6.2. With a budget of \$19, Eddie should buy:

- A) three chocolate bars and five milk shakes
- B) five chocolate bars and three milk shakes
- C) two chocolate bars and five milk shakes
- D) four chocolate bars and two milk shakes

Answer: <https://biology-forums.com/index.php?topic=859287>

Question 1858

Marginal cost can be obtained only from total fixed cost data.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859708>

Question 1859

Resource loss from rent control includes:

- A) additional losses not captured in the deadweight loss
- B) search cost of finding living accommodation
- C) the loss of resources used to evade the rent control
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859160>

Question 1860

Relative poverty can be eliminated by:

- A) increasing everyone's income by 20%
- B) providing jobs for everyone
- C) making discrimination on the basis of sex or race illegal

D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860247>

Question 1861

If marginal utility is positive, total utility is rising.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859323>

Question 1862

Economists are in general agreement about the normative aspects of economics, but they disagree generally about the positive aspects.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858589>

Question 1863

An economic model must replicate economic reality in every detail.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858567>

Question 1864

If the firms in a monopolistically competitive industry are operating where average total cost exceeds price:

- A) new firms will enter the industry and cause the price to rise
- B) new firms will enter the industry and cause the price to fall
- C) firms will leave the industry and cause the price to rise
- D) firms will leave the industry and cause the price to fall

Answer: <https://biology-forums.com/index.php?topic=859991>

Question 1865

Other things being equal, a change in a consumer's income results in a parallel shift in the budget line.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859437>

Question 1866

An ad valorem tariff is a tax or duty levied on an imported item, expressed as a fixed percentage of its value.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860464>

Question 1867

Which of the following is correct?

- A) Social costs equal private costs plus external costs
- B) Private costs equal social cost plus external costs
- C) External costs equal social costs plus private costs
- D) Social costs and private costs are identical

Answer: <https://biology-forums.com/index.php?topic=860485>

Question 1868

A budget line is a graph that shows various combinations of two commodities that a consumer can purchase for the same amount of money.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859427>

Question 1869

Information qualifies as an economic good because:

- A) the quantity of information demanded exceeds the quantity supplied even if it were free
- B) households and firms need it
- C) everyone has access to it
- D) it cannot be stored for reuse

Answer: <https://biology-forums.com/index.php?topic=860597>

Question 1870

We know that a resource is scarce if it has a price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858555>

Question 1871

To say that changes in income cause changes in spending is the same as saying that spending is a function of income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858654>

Question 1872

In order to maximize profits, a monopolist should produce an output that will:

- A) maximize its total revenue
- B) minimize its total cost
- C) equate price and marginal cost
- D) equate marginal revenue with marginal cost

Answer: <https://biology-forums.com/index.php?topic=859891>

Question 1873

Refer to Figure 5.3. If the minimum wage is set at \$6 per hour, the level of unemployment is:

- A) 50 000
- B) 40 000
- C) 20 000
- D) 10 000

Answer: <https://biology-forums.com/index.php?topic=859166>

Question 1874

All of the following are firms except:

- A) co-operatives
- B) limited partnerships
- C) general partnerships
- D) a university fraternity

Answer: <https://biology-forums.com/index.php?topic=859480>

Question 1875

If a firm in monopolistic competition is in long-run equilibrium:

- A) its demand curve will pass through the minimum point of its average cost curve
- B) its marginal revenue curve will pass through the minimum point of its average cost curve
- C) its demand curve is tangent to its average cost curve at a point to the left of the minimum point
- D) its marginal cost curve is tangent to its average cost curve at its minimum point

Answer: <https://biology-forums.com/index.php?topic=859994>

Question 1876

The basis for international trade is that:

- A) people prefer foreign goods to domestically produced goods
- B) people like to help citizens of foreign countries
- C) some countries are confronted with scarcity of resources while others are not
- D) countries are differently endowed with resources

Answer: <https://biology-forums.com/index.php?topic=860351>

Question 1877

A price floor is:

- A) the lowest possible surplus at which a producer will enter a market
- B) the lowest price at which a seller can legally sell a commodity
- C) the price below which the seller will remove the commodity from the market
- D) the price below which the seller is unable to make a profit

Answer: <https://biology-forums.com/index.php?topic=859162>

Question 1878

Constant opportunity cost would occur if:

- A) the prices of resources were constant
- B) all producers had equal opportunities
- C) resources were all equally efficient in all uses
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858710>

Question 1879

The consumer maximizes satisfaction and is therefore in equilibrium when the budget line is tangent to an indifference curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859456>

Question 1880

Nash equilibrium is the condition that exists when each player in a game selects the best possible strategy, given the strategies of the other players.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860092>

Question 1881

Which of the following individuals incurs the highest opportunity cost of going to college?

- A) A student with a 4.0 GPA
- B) A basketball player who has been offered a \$500 000 contract
- C) An unemployed 45 year old lawyer, receiving unemployment insurance assistance from the government
- D) A grocery store employee earning \$45 000 annually

Answer: <https://biology-forums.com/index.php?topic=858696>

Question 1882

The Cancun Agreement is an agreement signed by more than 190 countries at Cancun, Mexico, to continue efforts to reduce greenhouse gas emissions.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860591>

Question 1883

If an economy is operating at a low level of efficiency and output, unemployment will likely be high.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858812>

Question 1884

The incidence of poverty is usually low among families in rural areas.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860322>

Question 1885

The benefit derived from search is the lower price that the consumer finds as a result of the search.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860672>

Question 1886

The "goodness" of a model should be based primarily on its ability to explain and predict.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858580>

Question 1887

The short run is a situation in which the firm has at least one fixed factor of production.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859568>

Question 1888

Opportunity costs are the values of the best alternatives that must be sacrificed when choices are made.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858772>

Question 1889

If the elasticity coefficient of demand is greater than 1 but less than infinity, demand is:

- A) perfectly elastic
- B) elastic
- C) inelastic
- D) unitary elastic

Answer: <https://biology-forums.com/index.php?topic=859026>

Question 1890

The principal is the main party in a contractual agreement. The agent is the party chosen to act on behalf of, and in the interest of, the principal. True or False?

Answer: <https://biology-forums.com/index.php?topic=860718>

Question 1891

In terms of dollar value, Canada's most important export is wheat.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860453>

Question 1892

Refer to Table 14.3. Country A has a comparative advantage in the production of:

- A) radios only
- B) pens only
- C) both radios and pens
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860383>

Question 1893

A differentiated oligopoly exists when:

- A) a monopoly produces differentiated products
- B) the firms in a perfectly competitive industry decide to engage in product differentiation
- C) oligopolistic firms sell differentiated products
- D) monopolistic firms no longer differentiate their products

Answer: <https://biology-forums.com/index.php?topic=860012>

Question 1894

The monopolist will be breaking even if:

- A) $P = ATC$
- B) $TR = TC$
- C) $AR = ATC$
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=859878>

Question 1895

The law of demand states that as the price of a product falls, other things being equal, the quantity demanded will rise.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858900>

Question 1896

A multi-plant monopolist, seeking to maximize profits, will allocate output in each plant so that marginal cost in each is the same.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859962>

Question 1897

Refer to Figure 13.1. The letter D represents:

- A) the Gini coefficient
- B) the line of perfect inequality
- C) the line of perfect equality

D) the Lorenz curve

Answer: <https://biology-forums.com/index.php?topic=860229>

Question 1898

In a purely competitive labour market, a decrease in the demand for labour, other things being equal, will cause the quantity of labour to:

- A) increase and the wage rate to rise
- B) increase and the wage rate to fall
- C) decrease and the wage rate to rise
- D) decrease and the wage rate to fall

Answer: <https://biology-forums.com/index.php?topic=860109>

Question 1899

A monopoly is a market structure in which a few large firms control the entire market output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859920>

Question 1900

The theory of contestable markets suggests that market power, and hence, the behaviour of firms:

- A) can be predicted solely by looking at the number of firms in the industry
- B) can be predicted solely by looking at concentration ratios
- C) will be influenced by the ease of entry into the market
- D) will be diminished by the presence of "contests" and other sweepstakes campaigns designed to gain market share

Answer: <https://biology-forums.com/index.php?topic=860040>

Question 1901

All of the following are examples of cartels except:

- A) the Organization of the Petroleum Exporting Countries (OPEC)
- B) the Organization for Economic Cooperation and Development (OECD)
- C) the International Bauxite Association
- D) the International Air Transport Association (IATA)

Answer: <https://biology-forums.com/index.php?topic=860035>

Question 1902

The price elasticity of supply is a measure of the responsiveness of price to changes in the quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859119>

Question 1903

The average and marginal revenue curves of a firm in pure competition coincide.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859823>

Question 1904

Hazel is offered a salary of \$65 000 a year by Company A and \$72 000 a year by Company B. She turns down both offers and chooses to start her own business. The opportunity cost of her decision is:

- A) the monetary cost of operating her own business
- B) the income forgone from Company A
- C) the income forgone from Company B
- D) the profit that she makes from her business

Answer: <https://biology-forums.com/index.php?topic=858698>

Question 1905

The case of a free lunch exists when:

- A) people are on welfare and fail to seek employment
- B) the economy is operating on its production possibility curve
- C) the economy obtains additional resources to enable it to achieve a combination that was previously unavailable
- D) additional output can be produced without sacrificing the production of any other good or service

Answer: <https://biology-forums.com/index.php?topic=858734>

Question 1906

Which of the following attempts to force the monopolist to adopt certain aspects of competitive behaviour?

- A) Marginal-cost pricing
- B) Average-cost pricing
- C) Minimum average-cost pricing
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859906>

Question 1907

Only a government can grant patents and franchises.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859924>

Question 1908

The carbon tax is considered to be unfair in the sense that the tax one pays is not proportional to the amount of emission caused.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860581>

Question 1909

An increase in the demand for labour, other things being equal, will cause a decrease in the wage rate and an increase in the quantity of labour hired.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860170>

Question 1910

Which of the following is a cost of economic growth?

- A) Smog
- B) Water pollution
- C) Acid rain
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860501>

Question 1911

The view that poverty is self-perpetuating implies:

- A) that some people can develop a culture of poverty
- B) that it is extremely difficult for some people to break the poverty cycle
- C) that the very existence of poverty is a cause of poverty
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860266>

Question 1912

If X is the original quantity and Y is the new quantity, the formula for calculating the percentage change from X to Y is $100(X - Y)/Y$.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858688>

Question 1913

According to the law of demand, there is an inverse relationship between price and quantity demanded.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858902>

Question 1914

The economic system most closely associated with wealth creation around the world is:

- A) communism
- B) socialism
- C) mercantilism
- D) capitalism

Answer: <https://biology-forums.com/index.php?topic=860727>

Question 1915

Among the causes of poverty are age, gender, race, and religion.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860331>

Question 1916

Voluntary export restraints (VER) are non-tariff barriers in which an importing country persuades another country to voluntarily reduce its exports of a commodity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860469>

Question 1917

International trade enables a country to move off its production possibility curve outward to its trading curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860439>

Question 1918

The automobile industry in Canada is an example of an oligopoly.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859814>

Question 1919

An economic model comprises definitions, assumptions, and hypotheses.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858569>

Question 1920

Technical efficiency refers to efficiency in terms of input use, without reference to cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859554>

Question 1921

The most technically efficient method is:

- A) the one that uses the most efficient machines
- B) the one that has the lowest cost
- C) the one that uses the smallest quantity of workers
- D) the one that uses the least inputs

Answer: <https://biology-forums.com/index.php?topic=859489>

Question 1922

The method which is technically most efficient is the one which uses the fewest inputs.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859560>

Question 1923

If the total utility derived from all goods are equal, then we know that the consumer is maximizing his or her satisfaction.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859338>

Question 1924

The effectiveness of a minimum wage legislation can be maximized by setting the wage equal to the market equilibrium wage.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859228>

Question 1925

Search costs include the time spent reading advertisements about the product, inspecting the product, and the price of the product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860670>

Question 1926

Diamonds are more expensive than water because:

- A) diamonds are more useful than water
- B) the total utility of diamonds is greater than the total utility of water
- C) the marginal utility of diamonds is greater than the marginal utility of water
- D) the marginal utility of diamonds is less than the marginal utility of water

Answer: <https://biology-forums.com/index.php?topic=859292>

Question 1927

Because of the large number of firms in monopolistic competition, each one has no control over the price of its product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860053>

Question 1928

Escalator clauses are a stipulation in a labour contract that future wages and salaries will be adjusted to reflect changes in the price level.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860183>

Question 1929

Refer to Figure 2.2. In order to achieve the highest rate of economic growth in the future, this economy should operate at point:

- A) A
- B) B
- C) C
- D) D

Answer: <https://biology-forums.com/index.php?topic=858744>

Question 1930

The market system always gives socially desirable results.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859189>

Question 1931

In a supply function, the sign before the price variable is positive because a supply function has a positive slope.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859001>

Question 1932

In the long run:

- A) a monopolistic firm can earn positive economic profits, but a purely competitive firm cannot
- B) a purely competitive firm can earn positive economic profits, but a monopolistic firm cannot
- C) monopolists and pure competitors can earn positive economic profits
- D) neither monopolists nor pure competitors can earn positive economic profits

Answer: <https://biology-forums.com/index.php?topic=859900>

Question 1933

In production theory, the short run is defined as any period of time less than one year.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859567>

Question 1934

Economic externalities are:

- A) factors which do not affect economic activity
- B) divergencies between private costs and social costs
- C) factors imported into an economic system
- D) the result of any situation which equates private costs with social costs

Answer: <https://biology-forums.com/index.php?topic=860486>

Question 1935

An inevitable result of international trade and specialization is that one country gains while the other loses.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860440>

Question 1936

Human Resources and Skills Development Canada (HRSDC) administers the OAS programs and CPP, and through the Canada Employment Insurance Commission, it is responsible for the EI program.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860341>

Question 1937

A knowledge of demand-supply analysis:

- A) is essential for understanding how a market economy works
- B) is all that is required for a thorough understanding of economics
- C) is not necessary for a good understanding of economics because prices are no longer market determined
- D) is not important in a free enterprise economic system

Answer: <https://biology-forums.com/index.php?topic=858823>

Question 1938

No relationship exists between the slope of a budget line and the prices of the items that the consumer buys.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859429>

Question 1939

Refer to Figure 4.1. At a price of P1:

- A) D2 is more elastic than D
- B) D is more elastic than D1
- C) D2 is perfectly elastic
- D) D3 is perfectly elastic

Answer: <https://biology-forums.com/index.php?topic=859034>

Question 1940

The short-run total cost curve starts at the origin, rises, reaches a maximum, and then falls.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859694>

Question 1941

In oligopoly, each firm will take account of the policies and strategies adopted by its rivals.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859812>

Question 1942

If the demand for a product is inelastic, a change in its price will leave total revenue unchanged.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859096>

Question 1943

International trade is:

- A) an important topic in economics
- B) a study of trade between nations
- C) the flow of exports and imports between countries
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860346>

Question 1944

Search cost is the cost incurred in searching for information about a product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860669>

Question 1945

If two factors of production are substitutable and the price of one rises relative to the price of the other, the firm will tend to use less of the more expensive factor, substituting the less expensive factor for it.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859603>

Question 1946

Certain groups have a higher incidence of poverty than others.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860319>

Question 1947

Refer to Table 14.3. Both countries could benefit from trade if:

- A) country A specializes in pens and country B specializes in radios
- B) country A specializes in radios and country B specializes in pens
- C) countries A and B specialize in radios
- D) countries A and B specialize in pens

Answer: <https://biology-forums.com/index.php?topic=860385>

Question 1948

Public goods are generally provided by the government and paid for collectively out of taxes.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860557>

Question 1949

The monopolist's demand curve is its marginal revenue curve in any situation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859930>

Question 1950

A market is said to be contestable if entry into the industry is easy so that the threat of entry by potential competitors prevents the existing firms from exercising any monopoly power.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860095>

Question 1951

The theory that comparative advantage is determined by natural endowment is referred to as:

- A) altruistic determinism
- B) geographical determinism
- C) the theory of natural laws
- D) resource superiority

Answer: <https://biology-forums.com/index.php?topic=860394>

Question 1952

The demand and supply equations are given as $QD = 50 - 4P$ and $QS = 20 + 6P$ respectively. At a price of 4, a surplus of 10 units exists.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859007>

Question 1953

The basis for international trade is that different countries are differently endowed with resources.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860423>

Question 1954

A monopolistic firm will maximize its profits when its marginal revenue is equal to its marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859939>

Question 1955

Supporters of the negative income tax claim that:

- A) it does not destroy the incentive to work
- B) it leaves individuals with the freedom to spend income according to their own interest
- C) its administration is relatively simple
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860276>

Question 1956

The total cost curve:

- A) lies above the total variable cost curve
- B) lies below the total variable cost curve
- C) declines at first, reaches a minimum, and then rises
- D) rises, reaches a maximum and then falls

Answer: <https://biology-forums.com/index.php?topic=859642>

Question 1957

In general, if a product has many close substitutes, its demand will be:

- A) indeterminate
- B) elastic
- C) inelastic
- D) perfectly inelastic

Answer: <https://biology-forums.com/index.php?topic=859061>

Question 1958

An example of direct regulation to reduce the level of pollution is:

- A) forbidding the use of certain chemicals
- B) setting emission standards for manufacturing plants
- C) prohibiting the indiscriminate dumping of waste
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860519>

Question 1959

Normal profits mean:

- A) zero economic profits
- B) positive accounting profits
- C) a return equal to opportunity cost
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860155>

Question 1960

Market structure refers to the organizational structure of each firm in the industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859795>

Question 1961

The price elasticity of supply is:

- A) a measure of the degree to which price responds to changes in quantity supplied
- B) a measure of the degree to which quantity supplied responds to a small change in price
- C) obtained by dividing the percentage change in price by the percentage change in quantity actually bought
- D) a measure of how responsive producers are to changes in resource prices

Answer: <https://biology-forums.com/index.php?topic=859078>

Question 1962

A trading curve is a graph that shows:

- A) various combinations of goods and services that are traded between countries

- B) various combinations of goods and services produced for the purpose of trading
C) both A and B
D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=860389>

Question 1963

Distributing income according to need would be difficult to implement because it would be difficult to determine needs.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860285>

Question 1964

The firm's demand curve for labour is:

- A) its average revenue curve
B) its average product curve
C) its marginal revenue product of labour curve
D) its total revenue curve

Answer: <https://biology-forums.com/index.php?topic=860102>

Question 1965

Refer to Figure 10.1. The maximum profit this firm can make is:

- A) ONML
B) EJKF
C) OEFA
D) OJKA

Answer: <https://biology-forums.com/index.php?topic=859885>

Question 1966

The production possibility curve can be used to show all of the following except:

- A) price
B) scarcity
C) choice
D) opportunity cost

Answer: <https://biology-forums.com/index.php?topic=858733>

Question 1967

Economics deals, to a large extent, with:

- A) scarcity and choice
B) political relations among countries
C) the social aspects of human behaviour
D) how societies are governed

Answer: <https://biology-forums.com/index.php?topic=858473>

Question 1968

According to the needs criterion of equity:

- A) everyone has equal needs and should therefore share equally in the economy's output
B) it is impossible to assess needs, so people should determine their own needs, and income should be distributed accordingly
C) needs are easily satisfied, so everyone should be given a minimum amount of income
D) income should be distributed according to needs

Answer: <https://biology-forums.com/index.php?topic=860220>

Question 1969

The marginal revenue product is the extra revenue obtained by selling an extra unit of output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860160>

Question 1970

The paradox of value is due to:

- A) a confusion between total utility and marginal utility
B) a false belief that the higher the marginal utility of a good the higher its price should be

- C) a false belief that the higher the total utility derived from an item, the lower the price should be
D) a conception that there is a difference between total and marginal utility

Answer: <https://biology-forums.com/index.php?topic=859293>

Question 1971

The oil sands, factories, and government buildings:

- A) are all considered resources
B) cannot be all privately owned
C) are tangible economic resources
D) all of the above

Answer: <https://biology-forums.com/index.php?topic=858478>

Question 1972

A carbon tax is a tax imposed on items (called fossil fuel) that emit carbon dioxide, such as gasoline, natural gas, and coal.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860579>

Question 1973

A downward-sloping demand curve means that as the price falls, the quantity demanded increases.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858909>

Question 1974

Examples of fixed costs include property insurance, rental payment, and payments for raw materials to be used in production.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859683>

Question 1975

Which of the following is not true of oligopoly?

- A) There are only a few firms
B) The firms sell identical or differentiated products
C) Each firm ignores what the other firms are doing
D) Each firm has some influence over the price that it charges for its product

Answer: <https://biology-forums.com/index.php?topic=859736>

Question 1976

The concept of elasticity applies to:

- A) demand but not supply
B) supply but not demand
C) both demand and supply
D) macroeconomics, but not to concepts studied in microeconomics

Answer: <https://biology-forums.com/index.php?topic=859010>

Question 1977

If the demand curve is downward sloping, the price elasticity coefficient will be:

- A) zero
B) positive
C) negative
D) undefined

Answer: <https://biology-forums.com/index.php?topic=859020>

Question 1978

Consumer surplus is the same for each consumer because:

- A) each consumer faces the same set of prices
B) the market distributes consumer surplus equally
C) competition among consumers will result in equal consumer surplus
D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859143>

Question 1979

Jennifer states that she prefers having less of a given good in her consumption basket to having more of it. From this we can infer, other things being equal:

- A) that the given good is an inferior good
- B) that the given good has no substitutes
- C) that Jennifer is irrational
- D) that Jennifer is maximizing her satisfaction

Answer: <https://biology-forums.com/index.php?topic=859376>

Question 1980

A demand function is a mathematical way of expressing the relationship between quantity demanded and the factors that affect quantity demanded. True or False?

Answer: <https://biology-forums.com/index.php?topic=858990>

Question 1981

Which of the following will not shift an economy's production possibility curve?

- A) The employment of previously idle resources
- B) The hiring of workers from other countries
- C) The discovery of new resources
- D) An improvement in technology

Answer: <https://biology-forums.com/index.php?topic=858737>

Question 1982

The distribution of income among individuals and households is called the size distribution of income. True or False?

Answer: <https://biology-forums.com/index.php?topic=860288>

Question 1983

Opportunity cost refers to:

- A) the cost of equal opportunity programs
- B) the monetary cost of seizing good opportunities
- C) something that is forfeited
- D) the direct costs involved in achieving some objective

Answer: <https://biology-forums.com/index.php?topic=858703>

Question 1984

In Canada, women's earnings are approximately _____ percent of men's earnings.

- A) 34
- B) 40
- C) 52
- D) 65

Answer: <https://biology-forums.com/index.php?topic=860235>

Question 1985

The income consumption curve is the line joining the points of tangency between budget lines and indifference curves as income changes. True or False?

Answer: <https://biology-forums.com/index.php?topic=859461>

Question 1986

A price ceiling cannot be put into effect unless the market fails to achieve an equilibrium price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859207>

Question 1987

A supply schedule shows the direct relationship between price and quantity supplied.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858929>

Question 1988

The market demand curve for labour will be more elastic than that derived by adding the demand for labour curves of the individual firms.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860165>

Question 1989

Officially, a family is poor if it spends more than 56% of its income on food, shelter, and clothing.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860312>

Question 1990

The marginal product of a variable factor is:

- A) always the same as the marginal product of a fixed factor
- B) always the same as the average product of the variable factor
- C) the change in the total product caused by an additional unit of the variable factor
- D) the change in the total product caused by an additional unit of the fixed factor

Answer: <https://biology-forums.com/index.php?topic=859520>

Question 1991

The concept of a monopoly raises some issues because:

- A) of the subjectivity of the notion of close substitutes
- B) it is almost impossible to separate the definition of monopoly from the product that is monopolized
- C) both A and B
- D) neither A nor B

Answer: <https://biology-forums.com/index.php?topic=859855>

Question 1992

Unattached individuals who are 65 years and older have a low incidence of poverty largely because these are mostly retired people who live on pension income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860326>

Question 1993

The law of demand states that as the price of a product falls:

- A) the demand will also fall, other things being equal
- B) other things being equal, the demand will rise
- C) other things being equal, the quantity demanded will also fall
- D) other things being equal, the quantity demanded will rise

Answer: <https://biology-forums.com/index.php?topic=858833>

Question 1994

Kim has a choice of accepting employment for \$35 000 a year, or opening her own business. Her total expenses for the year total \$15 000, and her revenues amount to \$ 60 000. She thus earns a profit of \$45 000. Kim should therefore open her own business.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858778>

Question 1995

The outcomes of the various strategies in a game are usually presented in a table called a profit matrix.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860091>

Question 1996

Equilibrium occurs when the quantity demanded and the quantity supplied are equal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858948>

Question 1997

Nations trade with each other because:

- A) it is prescribed by international law
- B) each is trying to gain political advantage
- C) it is a means of recruiting talented labour
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860350>

Question 1998

Positive economic statements are factual and can never be wrong.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858582>

Question 1999

Which of the following is true of advertising?

- A) It informs us of product prices
- B) It informs us of the various establishments that sell the products
- C) It tries to convince us to purchase the products
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860630>

Question 2000

In international trade, absolute advantage refers to:

- A) excessive market power in one country
- B) excessive amounts of all resources in one country
- C) the advantage of one country gained by proximity to the border or waterways
- D) the ability to produce a commodity by using fewer resources than another country can

Answer: <https://biology-forums.com/index.php?topic=860355>

Question 2001

Approximately what percentage of Canada's imports comes from the United States?

- A) 15%
- B) 45%
- C) 65%
- D) 90%

Answer: <https://biology-forums.com/index.php?topic=860411>

Question 2002

The long-run average cost curve has a "C" shape.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859722>

Question 2003

The payment for a shipment of raw materials ordered from an industrial supplier is an example of a(n):

- A) sunk cost
- B) social cost
- C) explicit cost
- D) implicit cost

Answer: <https://biology-forums.com/index.php?topic=859613>

Question 2004

Refer to Table 7.3. At current input prices:

- A) methods A and B are both technically efficient, but A is economically more efficient
- B) methods A and B are both technically efficient, but B is economically more efficient
- C) methods A and B are equally economically efficient, but A is technically more efficient
- D) method A is technically efficient; method B is technically inefficient

Answer: <https://biology-forums.com/index.php?topic=859503>

Question 2005

Which of the following affects international trade?

- A) Natural resource endowment
- B) Capital endowment
- C) Technological endowment
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860349>

Question 2006

Central planning is where:

- A) the central bank or monetary authority controls financial markets
- B) the government controls economic activity by planning production, regulating supply, and detailing work to be performed
- C) government policy is designed to control family size—this places growth constraints on the population and is aimed at improving social welfare
- D) the government plans consumer consumption levels but not production nor supply

Answer: <https://biology-forums.com/index.php?topic=860734>

Question 2007

Production possibility curves are likely to be:

- A) concave because of increasing opportunity cost
- B) convex because of constant opportunity cost
- C) linear because all resources are substitutes in production
- D) upward sloping because of the law of increasing opportunity cost

Answer: <https://biology-forums.com/index.php?topic=858730>

Question 2008

The goodness of a model depends on:

- A) how widely it is used
- B) how well it predicts and explains reality
- C) the extent to which it employs mathematics
- D) the realism of its assumptions

Answer: <https://biology-forums.com/index.php?topic=858516>

Question 2009

One thing about economic growth is that:

- A) it confers benefits with little or no cost
- B) its costs usually outweigh any benefits it might bestow
- C) it confers benefits, but it also involves costs
- D) it is always sustainable

Answer: <https://biology-forums.com/index.php?topic=860500>

Question 2010

Nicole owns a small farm on which she grows strawberries in the summer and apples in the fall. The income that she derives from the sale of her crops is classified as:

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

Answer: <https://biology-forums.com/index.php?topic=858495>

Question 2011

Many graphs in economics show only the first quadrant because most of the variables that economics deals with have either zero or positive values. True or False?

Answer: <https://biology-forums.com/index.php?topic=858667>

Question 2012

A black market is a market in which sellers exploit consumers by charging exorbitant prices.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859219>

Question 2013

Refer to Figure 2.3. PPC3 is the production possibility curve that would result if the increase in technology affects the grape industry more than it

affects the apple industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858802>

Question 2014

The new snow tires you purchased for your SUV are an example of an experience good—you will not know about the quality of these tires until you drive it in the snow.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860699>

Question 2015

Sellers are willing to offer more for sale at a higher price because:

- A) higher prices serve as an incentive for producers to offer greater quantities
- B) the law of supply forces such actions
- C) there is an inverse relationship between price and profits
- D) people will tend to buy more at higher prices

Answer: <https://biology-forums.com/index.php?topic=858859>

Question 2016

The existence of absolute advantage makes it impossible for countries to benefit from international trade.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860429>

Question 2017

People are poor, in an absolute sense, if they cannot afford the goods and services required to enable them to live in minimum comfort.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860310>

Question 2018

The marginal productivity theory of wages states that the wage rate will be equal to the value of the marginal product of labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860163>

Question 2019

Experience goods are goods that have been on the market for a very long time and have proved their worth.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860697>

Question 2020

Diminishing marginal rate of substitution implies that indifference curves:

- A) are straight lines
- B) are convex
- C) are concave
- D) are upward sloping

Answer: <https://biology-forums.com/index.php?topic=859384>

Question 2021

Economists are more likely to disagree over:

- A) positive economics than normative economics
- B) normative economics than positive economics
- C) the predictions of economic theory than over the theory itself
- D) good economists do not disagree over anything

Answer: <https://biology-forums.com/index.php?topic=858522>

Question 2022

A group of firms that have entered into a formal agreement to control price and output in an industry is:

- A) an economic union
- B) a duopoly
- C) a cartel

D) an unnatural monopoly

Answer: <https://biology-forums.com/index.php?topic=860031>

Question 2023

Refer to Figure 8.1. At an output level of 0E, the total cost is represented by the rectangle:

- A) 0PSE
- B) PRQS
- C) 0RQE
- D) 0FGE

Answer: <https://biology-forums.com/index.php?topic=859654>

Question 2024

Refer to Figure 4.1. The coefficient of price elasticity of demand is infinity at all points along:

- A) D
- B) D1
- C) D2
- D) D3

Answer: <https://biology-forums.com/index.php?topic=859032>

Question 2025

The incidence of low income is particularly high among unattached individuals who are not in the labour force, who are 70 years or older, who have low levels of education, who are self-employed, or who are females.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860327>

Question 2026

The envelope curve is:

- A) the long-run marginal cost curve
- B) the long-run average cost curve
- C) the long-run fixed cost curve which remains constant as output expands
- D) the curve showing the maximum cost per unit at each output level

Answer: <https://biology-forums.com/index.php?topic=859661>

Question 2027

Cathy has a small retail business in a busy mall. During the holiday season her inventory grows significantly and she simply doesn't have the storage space at her store. As a result, she has decided to have the product shipped to her home where she will temporarily store the items she will replenish her stock with over the season. In this case, the implicit cost is:

- A) the interest she has to pay on holding the extra inventory
- B) the delivery fee to her home
- C) the opportunity cost of the storage space in her home
- D) the cost of the additional inventory

Answer: <https://biology-forums.com/index.php?topic=859616>

Question 2028

The kinked demand curve model explains:

- A) price wars
- B) price rigidity
- C) collusion
- D) wage rigidity

Answer: <https://biology-forums.com/index.php?topic=860024>

Question 2029

Consumers are willing and able to buy a greater quantity of a good at every price when there is an increase in the demand for the good.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858925>

Question 2030

Which of the following statements about resources is correct?

- A) They are used to produce tangible goods but not services
- B) They can never be used to produce other resources
- C) They are always limited in supply
- D) They are also called factors of production

Answer: <https://biology-forums.com/index.php?topic=858480>

Question 2031

Compared with pure competition, the monopoly output is less and unit price is higher.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859955>

Question 2032

Occupational discrimination is:

- A) a form of economic discrimination
- B) a situation in which particular groups are prevented from entering certain occupations
- C) a cause of poverty
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860262>

Question 2033

An oligopolistic firm maximizes its profits when it sets its price equal to its marginal cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860079>

Question 2034

Which of the following is unlikely to advertise its product?

- A) A purely competitive firm
- B) A firm in monopolistic competition
- C) A monopolistic firm
- D) An oligopolistic firm

Answer: <https://biology-forums.com/index.php?topic=860000>

Question 2035

Refer to Figure 16.1. At a search time of Q_0 :

- A) the search should continue
- B) the search should be abandoned
- C) search time is maximized
- D) the benefit from additional search is less than the cost of additional search

Answer: <https://biology-forums.com/index.php?topic=860617>

Question 2036

A trading curve is a graphical depiction of all combinations of goods and services available through specialization and trade.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860436>

Question 2037

The demand curve facing a monopolistically competitive firm is perfectly elastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860049>

Question 2038

If marginal utility is positive, then:

- A) total utility will increase
- B) total utility will be negative
- C) marginal must be rising
- D) total utility will not be affected

Answer: <https://biology-forums.com/index.php?topic=859263>

Question 2039

A 5% increase in quantity demanded resulted from a 7.5% fall in price. From this we know that the coefficient of elasticity (ignoring the negative sign) is:

- A) 12.5
- B) 2.5
- C) 1.5
- D) 0.67

Answer: <https://biology-forums.com/index.php?topic=859038>

Question 2040

If the government wants to increase its tax revenues, it can do so by taxing those items whose demands are inelastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859128>

Question 2041

Search goods are:

- A) goods produced after extensive research
- B) goods whose quality can be evaluated by inspection at the time of purchase
- C) goods that are scarce and can be found only after long and extensive searches
- D) goods whose quality can be determined after using them

Answer: <https://biology-forums.com/index.php?topic=860633>

Question 2042

An improvement in technology shifts the total product curve rightward.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859593>

Question 2043

The marginal physical product of labour (MPPL) is:

- A) the total product of labour divided by the quantity of labour hired
- B) the extra revenue obtained by selling a unit of output produced by labour
- C) the amount paid to hire an extra unit of labour
- D) the change in total output resulting from the use of an additional unit of labour

Answer: <https://biology-forums.com/index.php?topic=860099>

Question 2044

If a firm must operate with at least one fixed factor, it is:

- A) in the long run
- B) in the short run
- C) experiencing increasing returns
- D) inefficient

Answer: <https://biology-forums.com/index.php?topic=859508>

Question 2045

If an increase in price from \$2.00 to \$2.30 results in a fall in quantity demanded from 150 to 125, the price elasticity of demand is approximately 1.1.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859087>

Question 2046

Refer to Figure 6A.3. As the consumer moves from A to E:

- A) total utility increases
- B) total utility decreases
- C) the price of food falls
- D) the consumer's budget falls

Answer: <https://biology-forums.com/index.php?topic=859394>

Question 2047

We would expect a graph showing the relationship between the prices of vacation packages and the number of people going on vacation to be:

- A) upward sloping
- B) downward sloping

- C) vertical
- D) horizontal

Answer: <https://biology-forums.com/index.php?topic=858627>

Question 2048

Asymmetric information is information that is known to one party of a transaction but not to the other.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860701>

Question 2049

Which of the following is necessary for price discrimination to be possible?
A) The seller must be able to control output
B) The seller must be able to group his or her customers into different classes
C) The seller must be able to prevent people from buying in one market and selling in another
D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859909>

Question 2050

Examples of Giffen goods include gold, silver, and platinum.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859471>

Question 2051

The short-run competitive industry supply curve is derived by adding horizontally the short-run supply curves of all the firms in the industry.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859837>

Question 2052

Economic discrimination occurs when workers are treated differently in the labour market, although no differences exist in their output.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860333>

Question 2053

In general, we should expect the total product curve to be an upward sloping straight line through the origin
True or False?

Answer: <https://biology-forums.com/index.php?topic=859580>

Question 2054

Important export markets for Canada are Japan, the United States, the United Kingdom, and Germany.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860457>

Question 2055

In a short-run production function, there must be at least one fixed factor of production.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859578>

Question 2056

Fixed costs are often referred to as:
A) implicit costs
B) imputed costs
C) overhead costs
D) opportunity costs

Answer: <https://biology-forums.com/index.php?topic=859621>

Question 2057

The low price of water can be explained by the fact that it has a low marginal utility.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859343>

Question 2058

The purely competitive firm's demand curve is:

- A) downward sloping but relatively elastic because of the large number of close substitutes available
- B) downward sloping but relatively inelastic because of the large number of firms in the market
- C) vertical because of homogeneous product availability
- D) horizontal because the firm cannot affect the market price

Answer: <https://biology-forums.com/index.php?topic=859752>

Question 2059

The Old Age Security program incorporates:

- A) Canada Pension Plan and Employment Insurance
- B) Employment Insurance and Workers' Compensation
- C) Old Age Security Pension, Guaranteed Income Supplement, and Spouse's Allowance
- D) OAS, CPP, and EI

Answer: <https://biology-forums.com/index.php?topic=860268>

Question 2060

A study explaining the effects of an increase in income on consumer spending is an example of positive economics.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858586>

Question 2061

Positive statements are statements about facts expressed in a verifiable manner.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858583>

Question 2062

Any combination of commodities must lie on an indifference curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859445>

Question 2063

The payment of employment insurance benefits causes unemployment and does nothing to assist the poor.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860338>

Question 2064

A study of the effects of an increase in the money supply on the rate of interest and the level of income in an economy would be considered a microeconomics topic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858605>

Question 2065

If unemployed workers in an economy are hired, the opportunity cost to the economy is:

- A) the amount of money that they are paid
- B) nothing (zero)
- C) the value of their current production
- D) the average value of production by current employees

Answer: <https://biology-forums.com/index.php?topic=858714>

Question 2066

The cross elasticity of demand for a product is the relative change in the quantity demanded of that product divided by the relative change in the price of a related product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859106>

Question 2067

Examples of experience goods are grapes, shoes, and restaurant meals.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860698>

Question 2068

A firm in an oligopoly situation:

A) has considerable influence over the price of its product

B) has no influence over the price of its product

C) is a price-taker

D) produces only a small portion of total market output

Answer: <https://biology-forums.com/index.php?topic=859737>

Question 2069

Which of the following is correct?

A) $TC = TVC - TFC$

B) $TC = TFC - TVC$

C) $TFC = TC + TVC$

D) $TFC = TC - TVC$

Answer: <https://biology-forums.com/index.php?topic=859625>

Question 2070

Good social connections and networking often provide opportunities for entry into certain professions and for career development.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860305>

Question 2071

Federal, provincial, and community efforts have done nothing to reduce the threats to our ecosystems.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860585>

Question 2072

The amount of goods that can be produced in the economy is:

A) unlimited when the economy is at full employment

B) limited and finite as described by the production possibility curve

C) able to grow indefinitely

D) defined by the amount of resources used in production

Answer: <https://biology-forums.com/index.php?topic=858723>

Question 2073

All over the world agreements to control prices and output are illegal.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860089>

Question 2074

The party chosen to act on behalf of the principal is called:

A) the party actor

B) the agent

C) the vice-principal

D) the principal agent

Answer: <https://biology-forums.com/index.php?topic=860660>

Question 2075

Communism is easily separated into two systems: the economic system and the political system.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860747>

Question 2076

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 2077

Income elasticity of demand is the extent to which income responds to a change in quantity demanded.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859115>

Question 2078

A typical demand function could take the form of $QD = 20 - 4P$ where QD = quantity demanded and P = price.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858994>

Question 2079

Imperfect competition refers to any market structure other than perfect competition.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860041>

Question 2080

Canada's export items are determined largely by:

- A) the size of the population
- B) legislation
- C) its natural resource endowment
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860400>

Question 2081

Business cycles are desirable ups and downs in economic activity.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858811>

Question 2082

Which of the following is correct?

- A) When average product rises, average variable cost fall
- B) When average product falls, average variable cost rises
- C) When average product is at its maximum, average variable cost is at its minimum
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=859660>

Question 2083

A production possibility curve implies that:

- A) an economy always operates at full employment
- B) if the economy operates on the curve, it will eliminate the problem of scarcity
- C) if the economy is operating on the curve, it can produce more of one good only by producing less of some other good
- D) if the economy operates on the curve, it is being inefficient

Answer: <https://biology-forums.com/index.php?topic=858717>

Question 2084

A tax increase of 5% on the profits of a profit-maximizing monopolist will cause the monopolist to:

- A) raise price and reduce output
- B) lower price and reduce output
- C) raise price and output
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859918>

Question 2085

A method that is technically inefficient might be economically efficient.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859561>

Question 2086

A reduction in the supply of labour, other things being equal, will cause an increase in the wage rate and a fall in the equilibrium quantity of labour.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860169>

Question 2087

The consumer is in equilibrium when an indifference curve cuts the budget line from below.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859455>

Question 2088

Assuming that C represents cost, Q represents output, and X represents inputs, the cost function may be expressed as:

A) $Q = Q(X)$

B) $Q = Q(C)$

C) $C = C(Q)$

D) $X = X(C)$

Answer: <https://biology-forums.com/index.php?topic=859607>

Question 2089

Refer to Figure 10.2. This firm's demand curve is elastic at a price of:

A) \$2

B) \$4

C) \$8

D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859895>

Question 2090

Refer to the data in Table 14.2 to answer this question. Which of the following statements is correct?

A) Country B should specialize in and export oats

B) Country A should specialize in and export barley

C) Country A should specialize in and export oats

D) Country B should specialize in barley but export oats

Answer: <https://biology-forums.com/index.php?topic=860372>

Question 2091

Refer to Figure 9.1. If the firm is maximizing its profits when the price is \$12, its total cost is:

A) \$1200

B) \$960

C) \$700

D) \$840

Answer: <https://biology-forums.com/index.php?topic=859763>

Question 2092

Price leadership:

A) always results in a price war

B) benefits all firms equally

C) causes all firms to maximize their profits

D) allows an orderly change from one price to another

Answer: <https://biology-forums.com/index.php?topic=860028>

Question 2093

An increase in technology has which of the following effects?

A) It shifts the TP curve to the right

- B) It shifts the TP curve up
- C) It has no effect on the TP curve
- D) It shifts the TP curve down

Answer: <https://biology-forums.com/index.php?topic=859538>

Question 2094

If the consumer's income increases:

- A) the budget line will shift to the left
- B) the budget line will shift to the right
- C) the slope of the budget line will also increase
- D) the slope of the budget line will decrease

Answer: <https://biology-forums.com/index.php?topic=859364>

Question 2095

The tasks performed by many economists can usually be classified as mathematical or technical.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858542>

Question 2096

According to the law of diminishing marginal utility:

- A) marginal utility will eventually decrease as consumption increases
- B) when the price rises, marginal utility diminishes
- C) marginal utility always has a negative value
- D) there is some quantity at which marginal utility will eventually rise

Answer: <https://biology-forums.com/index.php?topic=859267>

Question 2097

The demand for a luxury item is likely to be inelastic, while the demand for an item that is considered to be a necessity is likely to be elastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859100>

Question 2098

Absolute poverty is the condition that exists when an individual or a family lacks the financial resources required for the basic necessities of life.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860308>

Question 2099

The opportunity cost of an item is the monetary cost of the resources used to produce that item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858771>

Question 2100

The consumer maximizes his or her satisfaction when he or she attains the highest possible indifference curve consistent with his or her budget.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859454>

Question 2101

The Canadian economy is so regulated and technologically advanced that it can now avoid the production of bads.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858553>

Question 2102

Which of the following is likely to be a variable cost?

- A) Interest payments on borrowed money
- B) Rental payment for the use of a building
- C) Labour costs
- D) The salaries of executive managers

Answer: <https://biology-forums.com/index.php?topic=859624>

Question 2103

All barriers to entry are:

- A) government-created
- B) natural, not artificial
- C) supported by competitive firms
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859863>

Question 2104

Economics is important because:

- A) it eliminates the problem of scarcity
- B) it helps us understand some of the world's most pressing problems
- C) it makes all economies rich
- D) it maintains the delicate balance between the rich and the poor

Answer: <https://biology-forums.com/index.php?topic=858451>

Question 2105

All of the following are experience goods except:

- A) automobile tires
- B) packaged rice
- C) grapes
- D) batteries

Answer: <https://biology-forums.com/index.php?topic=860638>

Question 2106

If an excise tax is imposed on an item whose demand is perfectly inelastic:

- A) consumers will cease to purchase the item and avoid the tax completely
- B) producers will cease to produce the item and avoid the tax completely
- C) the government's revenue from the tax will be zero
- D) consumers will purchase the same quantity of the item and bear the full burden of the tax

Answer: <https://biology-forums.com/index.php?topic=859183>

Question 2107

Which of the following is a likely cause of poverty?

- A) Low productivity
- B) Lack of resources
- C) Physical disabilities
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860255>

Question 2108

A firm in a purely competitive market structure will not continue to operate in the short run if price falls below average total cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859828>

Question 2109

The algebraic approach is always more difficult and less precise than a graphical analysis.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858985>

Question 2110

If the cross-price elasticity of demand between A and B is 0.65, then we know that:

- A) the demand for A is elastic
- B) the demand for B is inelastic
- C) A and B are complements
- D) A and B are substitutes

Answer: <https://biology-forums.com/index.php?topic=859073>

Question 2111

Both tariffs and quotas raise the domestic price of the product and reduce the volume of trade.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860471>

Question 2112

Refer to Figure 16.1. At a search time of Q1:

- A) additional search should be made because the extra benefit is still positive
- B) the search should be curtailed because the extra cost outweighs the extra benefit
- C) the search is optimized because benefits are greatest at that point
- D) search time is optimized

Answer: <https://biology-forums.com/index.php?topic=860619>

Question 2113

The demand and supply equations are given as $QD = 50 - 4P$ and $QS = 20 + 6P$ respectively. At a price of 3, a surplus exists.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859006>

Question 2114

Scarcity leads to choice, and choice involves opportunity cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858770>

Question 2115

The ceteris paribus assumption allows us to keep other factors constant while we examine the effects of the factor that is of current interest to us.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858574>

Question 2116

Refer to Figure 5.2. With a price floor of P2 a surplus equalling the following will arise:

- A) BD
- B) AC
- C) FD
- D) BF

Answer: <https://biology-forums.com/index.php?topic=859154>

Question 2117

Rent subsidies may be a better option than rent control because:

- A) subsidies do not cost the government anything
- B) subsidies guarantee a higher minimum standard of acceptable housing than does rent control
- C) subsidies do not introduce distortion into the market process that results in housing shortages
- D) landlords are more likely to build low-income housing units under a rent subsidy assistance structure than under rent control policies

Answer: <https://biology-forums.com/index.php?topic=859168>

Question 2118

Escalator clauses are conditions in a labour contract that future wages and salaries will be adjusted to reflect changes in similar industries or reference groups.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860184>

Question 2119

The Water-Diamond paradox arises because of failure to recognize the similarity between total utility and marginal utility.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859345>

Question 2120

The indifference curve approach:

- A) assumes that utility can be measured by cardinal numbers
- B) assumes that consumers are able to rank or order their preferences
- C) concludes that a ranking of 20 for good A and a ranking of 10 for good B means that good A gives twice as much satisfaction as good B does
- D) cannot be used to show preference

Answer: <https://biology-forums.com/index.php?topic=859356>

Question 2121

A production quota, if set below the equilibrium quantity, raises the price above the free market equilibrium price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859233>

Question 2122

Information cannot be an economic good because:

- A) it is too plentiful
- B) it is too difficult to price it
- C) everybody can use it
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860598>

Question 2123

If the price of iPods is above its equilibrium level, then:

- A) excess quantity demanded will exert upward pressure on the price
- B) excess quantity demanded will exert downward pressure on the price
- C) excess quantity supplied will exert downward pressure on the price
- D) there will be no pressure on the price since it is above the equilibrium level

Answer: <https://biology-forums.com/index.php?topic=858868>

Question 2124

Compared with pure competition (assuming no economies of scale), a monopolistic firm:

- A) produces a larger quantity and sells at a lower price
- B) produces a smaller quantity and sells at a lower price
- C) produces a larger quantity and sells at a higher price
- D) produces a smaller quantity and sells at a higher price

Answer: <https://biology-forums.com/index.php?topic=859902>

Question 2125

If the industry has workable competition oligopoly may have some desirable effects.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860094>

Question 2126

A point representing a combination of commodities that lies above the consumption possibility curve is both desirable and attainable.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859428>

Question 2127

Which of the following will shift the total product curve upward?

- A) An increase in the cost of inputs
- B) An improvement in technology
- C) An increase in consumers' incomes
- D) A change in the price of resources

Answer: <https://biology-forums.com/index.php?topic=859531>

Question 2128

In economic theory, it is assumed that the objective of the firm is to maximize profits.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859550>

Question 2129

The law of diminishing returns states that as additional quantities of a variable factor are added to a fixed factor, a point will be reached where the increase in the total product will diminish.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859594>

Question 2130

A firm incurs an implicit cost when it:

- A) uses resources that it already owns
- B) pays suppliers for raw materials
- C) pays a fixed amount for rent
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=859611>

Question 2131

Refer to Figure 6A.4. If the price of K decreases, the budget line will rotate:

- A) inward to a point on the H axis
- B) outward to a point on the H axis
- C) inward to a point on the K axis
- D) outward to a point on the K axis

Answer: <https://biology-forums.com/index.php?topic=859406>

Question 2132

The scientific procedure involves observation and measurement, the formulation of hypotheses, and the testing of hypotheses.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858562>

Question 2133

Which of the following is correct?

- A) Cost and production are totally different concepts and bear no relation to each other
- B) Once costs are considered, the decision about production quantity becomes secondary
- C) A close relationship exists between production and cost
- D) The concept of opportunity cost no longer applies in production theory

Answer: <https://biology-forums.com/index.php?topic=859608>

Question 2134

In Canada, in percentage terms, a woman earns only about 65% of a man's earnings.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860304>

Question 2135

In monopolistic competition, each firm has a slight influence over the price it charges for its product.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860043>

Question 2136

Which of the following is least likely to react to pricing and output decisions of one of its competitors?

- A) A purely competitive firm
- B) A monopolistically competitive firm
- C) A duopolistic firm
- D) An oligopolistic firm

Answer: <https://biology-forums.com/index.php?topic=860011>

Question 2137

Which of the following is correct?

- A) An economic externality can be a benefit
- B) An external economy is also referred to as a positive externality
- C) An externality which results in a cost is referred to as a negative externality
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860488>

Question 2138

The method that is economically most efficient is the one with the lowest cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859558>

Question 2139

A monopolistic firm will maximize its profits when its marginal cost is equal to its price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859937>

Question 2140

Which of the following issues is most likely a topic related to economics?

- A) The price of crude oil
- B) War in the Middle East
- C) The deteriorating health of society
- D) The increased number of immigrants residing in Canada

Answer: <https://biology-forums.com/index.php?topic=858439>

Question 2141

Limit pricing serves as an effective barrier to the entry of new firms into an industry.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860085>

Question 2142

Which of the following is correct?

- A) A point below the production possibility curve shows unemployment of resources
- B) A point on the production possibility curve shows full employment of resources
- C) A point above the production-possibility curve shows a combination of goods that the economy cannot produce
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=858732>

Question 2143

A market-oriented approach to pollution control that involves the sale of pollution credits on the open market is called:

- A) carbon taxing
- B) cap and trade
- C) pollution credit swap
- D) bad credit options

Answer: <https://biology-forums.com/index.php?topic=860532>

Question 2144

Technology reduces search cost, shifting the MC curve down and to the right. The optimal search time increases and price differentials decrease.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860689>

Question 2145

According to supporters of the negative income tax, one of its advantages is that it does not destroy the incentive to work.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860344>

Question 2146

When total product is at its maximum, marginal product is zero.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859587>

Question 2147

The payment made to entrepreneurs, as an economic resource, is called profit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858561>

Question 2148

A firm in monopolistic competition differs from a purely competitive firm in that in long-run equilibrium, the firm in monopolistic competition:

- A) produces at a higher cost than does the purely competitive firm
- B) produces at a lower cost than does the purely competitive firm
- C) earns positive economic profits, while the purely competitive firm earns zero economic profit
- D) earns only normal profits, while the purely competitive firm earns exceptionally high profits

Answer: <https://biology-forums.com/index.php?topic=859997>

Question 2149

Which of the following statements is correct?

- A) The marginal utility curve is upward sloping at any level of consumption
- B) The total utility curve is downward sloping at any level of consumption
- C) The total utility curve slopes upward at an increasing rate over all levels of consumption
- D) The marginal utility curve slopes downward eventually

Answer: <https://biology-forums.com/index.php?topic=859260>

Question 2150

The transmission of information, by the use of proxy measures, about unobservable characteristics is called:

- A) the transmission mechanism
- B) asymmetric information
- C) adverse selection
- D) market signalling

Answer: <https://biology-forums.com/index.php?topic=860654>

Question 2151

Economics is important to individuals because it:

- A) helps them make rational choices and think logically
- B) will lead to greater personal wealth
- C) makes them better people
- D) will give them a useful degree with which they will be guaranteed employment

Answer: <https://biology-forums.com/index.php?topic=858445>

Question 2152

Refer to Figure 9.1. At a price of \$10, the maximum profit the firm can make is:

- A) \$200
- B) \$120
- C) \$82.50
- D) \$54.50

Answer: <https://biology-forums.com/index.php?topic=859766>

Question 2153

The income consumption curve shows how:

- A) the consumer responds to changes in income
- B) increases in income affect the prices of goods
- C) the consumer allocates income as the prices of goods increase
- D) changes in prices affect the consumer's decision to consume income

Answer: <https://biology-forums.com/index.php?topic=859411>

Question 2154

An increase in demand is shown by:

- A) shifting the demand curve to the right
- B) shifting the demand curve to the left
- C) a movement along the demand curve as price falls
- D) a movement along the demand curve as price rises

Answer: <https://biology-forums.com/index.php?topic=858853>

Question 2155

Firms can acquire some degree of market power through product differentiation.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860546>

Question 2156

The diagonal straight line in a Lorenz curve diagram illustrates perfect equality in the distribution of income.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860292>

Question 2157

In socialist systems:

- A) individual self-interest is supreme
- B) profits motivate all businesses
- C) social equity supercedes individual self-interest
- D) full employment is rarely achieved

Answer: <https://biology-forums.com/index.php?topic=860735>

Question 2158

In a demand function, the sign before the price variable is negative because a demand function has a negative slope.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858993>

Question 2159

When unions encourage their members to purchase union-made products as opposed to non-union-made products, they are trying to shift the demand curve for unionized labour to the right.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860190>

Question 2160

Which of the following is not a cause of market failure?

- A) Flexible prices in product and factor markets
- B) Inadequate information
- C) Market imperfection
- D) The existence of public goods

Answer: <https://biology-forums.com/index.php?topic=860477>

Question 2161

Jewelry such as diamond rings, pearl earrings, and gold necklaces are generally considered to be luxury items. As such, we can conclude that the demand for jewelry is most likely elastic.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859101>

Question 2162

Price elasticity of supply is the percentage change in quantity supplied divided by the percentage change in price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859120>

Question 2163

Economics can be defined as the study of how people cope with the ever present problem of scarcity.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858547>

Question 2164

If a purely competitive firm is producing an output where marginal cost equals price, it can increase its profits either by producing a larger quantity or by charging a higher price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859826>

Question 2165

Assumptions:

- A) are special types of hypotheses
- B) are statements that can never be proved or disproved
- C) express reality exactly
- D) are statements about the conditions under which a model operates

Answer: <https://biology-forums.com/index.php?topic=858509>

Question 2166

A demand function is:

- A) a graph showing a relationship between price and demand
- B) a graph showing a relationship between price and quantity demanded
- C) a table showing a relationship between price and quantity demanded
- D) an equation showing a relationship between quantity demanded and the factors that affect quantity demanded

Answer: <https://biology-forums.com/index.php?topic=858961>

Question 2167

Consider the equation $QS = c + dP$, $d > 0$, where QS = quantity supplied and P = price. Which of the following statements is correct?

- A) P is a shift parameter
- B) QS is a shift parameter
- C) c represents the slope of the supply function
- D) d represents the slope of the supply function

Answer: <https://biology-forums.com/index.php?topic=858971>

Question 2168

The rate of interest is determined entirely by the demand for loanable funds.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860207>

Question 2169

Market characteristics that influence a firm's pricing and output behaviour constitute:

- A) pricing structure
- B) market structure
- C) influential characteristics
- D) market mechanism

Answer: <https://biology-forums.com/index.php?topic=859725>

Question 2170

A reduction in the supply of labour, other things being equal, will cause

- A) a decrease in the equilibrium wage rate and a fall in the equilibrium quantity of labour
- B) a decrease in the equilibrium wage rate and an increase in the equilibrium quantity of labour
- C) an increase in the equilibrium wage rate and a fall in the equilibrium quantity of labour
- D) an increase in the equilibrium wage rate and an increase in the equilibrium quantity of labour

Answer: <https://biology-forums.com/index.php?topic=860110>

Question 2171

Comparative advantage:

- A) cannot exist in the real world
- B) can prevail only after absolute advantage is used up
- C) relates to nations that do not trade
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860373>

Question 2172

Demand and supply equations can be used to:

- A) determine equilibrium price but not equilibrium quantity
- B) determine equilibrium quantity but not equilibrium price
- C) determine both equilibrium price and equilibrium quantity

D) determine neither equilibrium price nor equilibrium quantity

Answer: <https://biology-forums.com/index.php?topic=858974>

Question 2173

Refer to Table 14.1. In country A, the opportunity cost of a computer, in terms of coffee, is:

- A) 4.5 kg. of coffee
- B) 0.2 kg. of coffee
- C) 200 kg. of coffee
- D) 4500 kg. of coffee

Answer: <https://biology-forums.com/index.php?topic=860360>

Question 2174

Which of the following is an example of market imperfection?

- A) Freedom of entry into and exit from an industry
- B) Barriers to entry into an industry
- C) Inability of a firm to control price and output
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860480>

Question 2175

Refer to Figure 6A.4. Which of the following changes may allow Rene to purchase combination B?

- A) A decrease in Rene's income
- B) An increase in the price of good K
- C) An increase in the price of good H
- D) A decrease in the price of good K

Answer: <https://biology-forums.com/index.php?topic=859405>

Question 2176

A situation of a free lunch can exist only if the economy is in a state of productive inefficiency.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858797>

Question 2177

Marginal product is the addition to total product due to a unit increase in the variable factor.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859583>

Question 2178

An economic good cannot be scarce otherwise it will command too high a price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860667>

Question 2179

As long as the firm in monopolistic competition is operating where $MR = MC$, then it must be earning a profit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860055>

Question 2180

The need to choose among alternatives is a direct result of:

- A) scarcity
- B) greed
- C) limited wants
- D) habit

Answer: <https://biology-forums.com/index.php?topic=858467>

Question 2181

If the law of diminishing marginal utility holds, then a point will be reached where the consumer will have no interest in additional units of the item consumed.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859328>

Question 2182

Socialist economic systems tend to produce a smaller variety of products than do free enterprise economies.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860746>

Question 2183

Refer to Table 7.2. A rational decision-maker would:

- A) eliminate A because it is inefficient
- B) eliminate B because it is inefficient
- C) eliminate C because it is inefficient
- D) eliminate A and C because they are both inefficient

Answer: <https://biology-forums.com/index.php?topic=859495>

Question 2184

An association of national unions is called:

- A) a consortium
- B) a federation
- C) an international union
- D) a conglomerate

Answer: <https://biology-forums.com/index.php?topic=860114>

Question 2185

Refer to Figure 10.2. In order to maximize profits, this firm should charge a price of:

- A) \$4
- B) \$6
- C) \$12
- D) \$8

Answer: <https://biology-forums.com/index.php?topic=859893>

Question 2186

Export subsidies reduce the exporters' costs, thus enabling them to reduce their prices and compete more effectively with foreign producers.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860468>

Question 2187

The firm will seek to produce any given volume of output:

- A) that will result in maximum revenue
- B) that is consistent with any technically efficient method
- C) at the lowest possible cost
- D) using only high-tech methods of production

Answer: <https://biology-forums.com/index.php?topic=859540>

Question 2188

Assume that the market price of an item is \$5.00. If Ken Pryce is the producer of this item and would be willing to accept \$3.50 for the item, then his producer surplus is:

- A) \$1.50
- B) \$8.50
- C) \$17.50
- D) \$1.43

Answer: <https://biology-forums.com/index.php?topic=859148>

Question 2189

The term imperfect competition refers to:

- A) any market structure other than perfect competition
- B) perfect competition and monopoly
- C) a market structure that is neither perfectly competitive nor purely monopolistic
- D) a market structure in which the price adjustment mechanism is ineffective

Answer: <https://biology-forums.com/index.php?topic=859972>

Question 2190

The long-run supply curve of a constant-cost industry is upward sloping.
True or False?

Answer: <https://biology-forums.com/index.php?topic=859845>

Question 2191

The argument in favour of using tariffs to protect young domestic industries from competition from similar foreign industries is known as:

- A) the domestic growth argument
- B) the trade liberalization argument
- C) the protective stance
- D) the infant industry argument

Answer: <https://biology-forums.com/index.php?topic=860419>

Question 2192

Which of the following countries is best described as communist?

- A) North Korea
- B) South Korea
- C) Hong Kong
- D) Japan

Answer: <https://biology-forums.com/index.php?topic=860732>

Question 2193

Which of the following is a normative statement?

- A) Over 70% of the students in this class will obtain a final grade of at least 65%
- B) Economics is more important than either mathematics or history
- C) Canada has the second highest output per capita in the world
- D) High interest rates cause unemployment

Answer: <https://biology-forums.com/index.php?topic=858521>

Question 2194

When a monopolistically competitive firm is in long-run equilibrium, its average revenue curve is tangent to its average cost curve.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860062>

Question 2195

The highest price that a consumer is willing to pay for any unit of an item reflects:

- A) the marginal utility derived from that unit
- B) the total utility derived from that unit
- C) no relationship between price and marginal utility
- D) no relationship between price and total utility

Answer: <https://biology-forums.com/index.php?topic=859298>

Question 2196

Refer to data above. If the price rises to \$6, then total revenue will change to:

- A) \$600
- B) \$300
- C) \$500
- D) \$360

Answer: <https://biology-forums.com/index.php?topic=859052>

Question 2197

Refer to data above. In order to increase revenues, they should:

- A) raise their prices
- B) lower their prices
- C) lower their prices by at least 9.6%
- D) raise their prices by at least 9.6%

Answer: <https://biology-forums.com/index.php?topic=859056>

Question 2198

Consumer surplus is always equal to the equilibrium price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859194>

Question 2199

If demand and supply both increase:

- A) price will rise and quantity will fall
- B) price will fall and quantity will rise
- C) quantity will increase but the change in price is indeterminate
- D) price will fall but the change in quantity is indeterminate

Answer: <https://biology-forums.com/index.php?topic=858883>

Question 2200

Which of the following statements is correct?

- A) Demand is represented by a point on the demand curve, while the entire curve represents quantity demanded
- B) A point on a demand curve represents quantity demanded whereas the entire curve represents demand
- C) Demand and quantity demanded are just different terms used for the same concept
- D) Demand is what people want, while quantity demanded is the amount that people actually buy

Answer: <https://biology-forums.com/index.php?topic=858840>

Question 2201

Which of the following Canadian industries would you expect to have a high concentration ratio?

- A) Breweries
- B) Automobile industry
- C) Iron and steel
- D) All of the above

Answer: <https://biology-forums.com/index.php?topic=860014>

Question 2202

Important export items for Canada include machinery and equipment, industrial goods and materials, and automotive products.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860458>

Question 2203

Market income includes:

- A) earnings from employment
- B) investment income
- C) private retirement income
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860215>

Question 2204

Refer to Table 14.2 to answer this question. What is the cost of a kilogram of barley (in terms of oats) in Country A?

- A) 0.5 kg. of oats
- B) 1.0 kg. of oats
- C) 2.0 kg. of oats
- D) 2.5 kg. of oats

Answer: <https://biology-forums.com/index.php?topic=860369>

Question 2205

The demand equation is given as $P = 10 - QD$, and the supply equation as $P = 2 + QS$, then:

- A) the equilibrium price = 6 and the equilibrium quantity = 4
- B) the equilibrium price = 4 and the equilibrium quantity = 6
- C) the equilibrium price = 10 and the equilibrium quantity = 2
- D) the equilibrium price = 2 and the equilibrium quantity = 10

Answer: <https://biology-forums.com/index.php?topic=858977>

Question 2206

An example of moral hazard would be when individuals leave their car doors unlocked in a parking lot because they know that the cars are insured.
True or False?

Answer: <https://biology-forums.com/index.php?topic=860710>

Question 2207

Changes in the price of an item, the number of producers, prices of inputs, and technology will affect the supply of the item.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858939>

Question 2208

The lemon problem stems basically from:

- A) too much information about lemons
- B) too little information about the products that are traded in the market
- C) a preponderance of detective goods on the market
- D) the absence of any consequence from selling an inferior product

Answer: <https://biology-forums.com/index.php?topic=860647>

Question 2209

The extra cost associated with additional search will tend to:

- A) decrease
- B) increase
- C) remain constant
- D) be zero

Answer: <https://biology-forums.com/index.php?topic=860612>

Question 2210

A strike always results in a reduction in national output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860182>

Question 2211

A socialist economic system has the great advantage that it can maintain full employment.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860745>

Question 2212

Canada has a comparative advantage in the production of electricity, certain agricultural items, and certain kinds of technology.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860451>

Question 2213

The term "increasing returns to scale" is equivalent to:

- A) increasing cost
- B) constant cost
- C) decreasing cost
- D) constant returns to scale

Answer: <https://biology-forums.com/index.php?topic=859663>

Question 2214

An indifference map is:

- A) a guide to help the consumer arrive at the point of maximum satisfaction
- B) a way of showing that consumers cannot maximize their satisfaction
- C) a collection of indifference curves
- D) a map showing the various combinations of goods that a consumer can buy for the same amount of money

Answer: <https://biology-forums.com/index.php?topic=859389>

Question 2215

A firm in monopolistic competition acts exactly like a monopolistic firm.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860048>

Question 2216

The production possibility curve will shift outward if unemployed workers are hired.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858803>

Question 2217

The wage transfer mechanism refers to the process by which changes in wages in one occupation are transmitted to other occupations.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860188>

Question 2218

Marginal-cost pricing implies that the firm establishes the equality of price and marginal cost; that is, the firm sells its product at a price just equal to the opportunity cost.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859854>

Question 2219

Refer to Figure 9.1. This firm incurs losses when the price falls below:

- A) \$12
- B) \$10
- C) \$14
- D) \$8

Answer: <https://biology-forums.com/index.php?topic=859767>

Question 2220

Through the process of production, firms convert inputs into outputs for sale at a profit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859545>

Question 2221

The concept of transitivity implies that if A is preferred to B, and B is preferred to C, then A must be preferred to C.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859446>

Question 2222

Total consumer surplus for an item is the sum of all the consumer surpluses of the individual consumers who have purchased the item.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859196>

Question 2223

A production possibility curve for an economy producing rice and garments will shift out in a parallel manner if an increase in technology affects the production of rice and garments to the same extent.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858800>

Question 2224

Important import items for Canada include:

- A) machinery and equipment
- B) industrial goods and materials
- C) automotive products
- D) all of the above

Answer: <https://biology-forums.com/index.php?topic=860409>

Question 2225

If Y represents income and M represents the money supply, then the expression $Y = Y(M)$ means that:

- A) income is a function of the money supply
- B) changes in the money supply will not cause changes in income
- C) income is independent of the money supply
- D) the money supply is a function of income

Answer: <https://biology-forums.com/index.php?topic=858616>

Question 2226

In a purely competitive labour market, if the wage rate exceeds the marginal revenue product, the firm will:

- A) hire more workers
- B) lay off workers
- C) not change the quantity of workers hired
- D) lower the wage rate

Answer: <https://biology-forums.com/index.php?topic=860103>

Question 2227

The scientific approach refers to:

- A) any method that involves the use of mathematical formulae
- B) the use of graphs to help clarify explanations
- C) the systematic investigation and observation of phenomena, and the formulation of general laws after testing and verifying hypotheses
- D) experiments in laboratories only

Answer: <https://biology-forums.com/index.php?topic=858501>

Question 2228

The condition that exists when each player in a game selects the best possible strategy, given the strategies of the other players is called:

- A) market clearing equilibrium
- B) game equilibrium
- C) payoff equilibrium
- D) Nash equilibrium

Answer: <https://biology-forums.com/index.php?topic=860037>

Question 2229

Which of the following is a technique used by employers to exert pressure on unions to win or end a dispute?

- A) Strike
- B) Lockout
- C) Wage decrease
- D) Withdrawal of fringe benefits

Answer: <https://biology-forums.com/index.php?topic=860126>

Question 2230

The equilibrium price is that price that results in the clearing of the market. At that price, neither a shortage nor a surplus exists.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858949>

Question 2231

Ceteris paribus means:

- A) "after this therefore because of this"
- B) "after all changes have been made"
- C) "other things being equal"
- D) "if simultaneous changes occur"

Answer: <https://biology-forums.com/index.php?topic=858513>

Question 2232

If the cost of producing an additional unit of output is less than the revenue obtained from that unit, then the firm should produce that additional unit.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859821>

Question 2233

For a normal good, the quantity demanded:

- A) falls when income remains constant
- B) rises when income rises
- C) rises when income falls
- D) falls when income rises

Answer: <https://biology-forums.com/index.php?topic=859076>

Question 2234

The purely competitive firm is:

- A) a price-taker
- B) a price-adjuster
- C) a price-adjuster and a quantity-adjuster
- D) a price-taker and a quantity-taker

Answer: <https://biology-forums.com/index.php?topic=859731>

Question 2235

Market imperfections lead to a misallocation of society's resources or to their unproductive use.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860544>

Question 2236

Demand is a particular quantity that people will buy at a specific price.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858895>

Question 2237

If a minimum wage is set below the market equilibrium, it will have no effect.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859226>

Question 2238

By scarcity, economists mean that:

- A) resources are available only in small quantities
- B) there are not enough resources to produce all the goods and services that people want
- C) people have already satisfied their wants and needs
- D) some things are rare

Answer: <https://biology-forums.com/index.php?topic=858462>

Question 2239

By definition, a firm:

- A) must produce only one product
- B) may produce more than one product
- C) must employ at least two workers to be qualified as a firm
- D) must be incorporated under the legislation of the federal government

Answer: <https://biology-forums.com/index.php?topic=859476>

Question 2240

An oligopoly is a market structure in which a few firms are so powerful that each ignores the pricing and output decisions of the others.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860069>

Question 2241

Because economics is not an exact science, economists need not formulate their hypotheses in a testable manner.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858572>

Question 2242

Much of economic decision making consists of comparing additional benefits with additional costs.
True or False?

Answer: <https://biology-forums.com/index.php?topic=858781>

Question 2243

In his first year at college, Ming Fu spent \$750 for text books. In his second year, he spent \$600. The percentage change in Ming's expenditure on textbooks was:

- A) 25%
- B) -15%
- C) 10%
- D) -20%

Answer: <https://biology-forums.com/index.php?topic=858648>

Question 2244

Which of the following cost curves declines continuously?

- A) The marginal cost curve
- B) The average variable cost curve
- C) The average total cost curve
- D) The average fixed cost curve

Answer: <https://biology-forums.com/index.php?topic=859645>

Question 2245

The optimal level of pollution is:

- A) zero
- B) that which allows us to maximize our total output
- C) that which our environment can tolerate
- D) none of the above

Answer: <https://biology-forums.com/index.php?topic=860508>

Question 2246

A firm is any organization that provides a good or a service.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859548>

Question 2247

The utility derived from the consumption of a good or service varies across individuals and from time to time for the same individual.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859311>

Question 2248

Economists use the term factors of production to refer to the relation between the firm's inputs and its output.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859574>

Question 2249

Jim, Sally, Kim, and Charles constitute the sales team for a company. In a certain year, they contribute 30%, 27%, 23%, and 20% respectively to the total sales for the year. A pie chart would be an excellent device for showing the relative contribution of each to total sales.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858681>

Question 2250

A curve showing the relationship between annual earnings and age will be:

- A) upward sloping throughout
- B) downward sloping throughout
- C) upward sloping, reaching a maximum, and then declining
- D) upward sloping, reaching a maximum, and then becoming horizontal thereafter

Answer: <https://biology-forums.com/index.php?topic=860234>

Question 2251

The incidence of poverty is the same for all people.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860318>

Question 2252

Market income includes all of the following except:

- A) private retirement income
- B) government transfers
- C) income from self-employment
- D) rental income

Answer: <https://biology-forums.com/index.php?topic=860216>

Question 2253

Families with a large number of young children have a low incidence of poverty.

True or False?

Answer: <https://biology-forums.com/index.php?topic=860320>

Question 2254

A regulation which forces monopolists to use average-cost pricing will eliminate any monopoly profits which the monopolists may otherwise have made.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859961>

Question 2255

A substitute good is a good that can replace another good in use.

True or False?

Answer: <https://biology-forums.com/index.php?topic=858917>

Question 2256

Arc elasticity of demand treats the price and quantity as if they were midway between the initial and the new prices and quantities, and then uses the point elasticity at this midpoint.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859088>