

Question 1

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 2

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 3

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 4

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 5

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 6

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 7

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 8

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 9

Fixed costs and explicit costs are identical.

True or False?

Answer: <https://biology-forums.com/index.php?topic=859681>

Question 10

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 11

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 12

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 13

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 14

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 15

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 16

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 17

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 18

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 19

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 20

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>