

Question 1

Question 1.

Refer to the above figure. If a price floor of \$5 was set

- the quantity demanded would be 100 units.
- there would be a shortage of 20 units.
- the quantity sold would be 60 units.
- the quantity sold would be 80 units.

Question 2.

Refer to the above figure. If a price floor of \$5 was set

- there would be a shortage of 40 units.
- the quantity sold would be 80 units.
- there would be a shortage of 20 units.
- there would be a surplus of 40 units.

Answer: <https://biology-forums.com/index.php?topic=1907920>

Question 2

A firm will hire a unit of input up to the point where

- A) the marginal cost of the input equals the marginal cost of output.
- B) the marginal revenue product of the input is equal to the marginal factor cost of the input.
- C) the price of the input is equal to the price of output.
- D) the marginal physical product of the input is equal to the price of output.

Answer: <https://biology-forums.com/index.php?topic=1866378>

Question 3

A payment for the use of any resource over and above its opportunity cost is called

- A) accounting profit.
- B) economic profit.
- C) normal cost.
- D) economic rent.

Answer: <https://biology-forums.com/index.php?topic=1864993>

Question 4

The government finances Social Security through

- A) excise taxes.
- B) payroll taxes.
- C) the sale of goods and services.
- D) state taxes.

Answer: <https://biology-forums.com/index.php?topic=1866692>

Question 5

Expenses that a firm does NOT have to pay out of pocket are

- A) wages of employees.
- B) taxes.
- C) implicit costs.
- D) explicit costs.

Answer: <https://biology-forums.com/index.php?topic=1865084>

Question 6

Question 1. Which of the following is a deficit item on the U.S. balance of payments accounts?

- A Spaniard buys 100 shares of Ford stock.
- A U.S. firm sells a product to a Mexican firm.
- A U.S. resident buys a smartphone in Japan.
- An Italian tourist in Miami purchases a beach ball.

Question 2. In the balance of payments, which of the following is TRUE of the sum of the capital account balance, the current account balance, and the official reserve transactions account balance?

- This sum must always be zero, because the sum of all surplus and deficit items associated with cross-border transactions must equal zero.
- This sum is positive only if the U.S. government operates with a budget surplus.
- This sum is either positive or negative, depending on whether the sum of all surplus and deficit items associated with cross-border transactions is positive or negative.

- This sum is positive only if the U.S. government operates with a budget deficit.

Answer: <https://biology-forums.com/index.php?topic=1907507>

Question 7

Which of the following is the largest union in the United States?

- A) International Brotherhood of Teamsters
- B) International Brotherhood of Electrical Workers
- C) National Education Association
- D) American Federation of State, County, and Municipal Employees

Answer: <https://biology-forums.com/index.php?topic=1866402>

Question 8

If marginal utility declines but remains positive, then

- A) total utility continues to increase but at a decreasing rate.
- B) total utility also declines.
- C) total utility continues to be zero.
- D) none of the above.

Answer: <https://biology-forums.com/index.php?topic=1864783>

Question 9

The demand for Canadian cheese by a U.S. store is also a

- A) demand for Canadian dollars.
- B) demand for SDRs.
- C) supply of U.S. dollars.
- D) supply of Canadian dollars.

Answer: <https://biology-forums.com/index.php?topic=1867235>

Question 10

A local utility is an example of

- A) perfect competition.
- B) oligopoly.
- C) monopoly.
- D) monopolistic competition.

Answer: <https://biology-forums.com/index.php?topic=1866042>

Question 11

Unequal pay that is caused by economic discrimination will be due to

- A) a noneconomic factor.
- B) differences in the marginal revenue product.
- C) a monopolistic labor market.
- D) difference in human capital.

Answer: <https://biology-forums.com/index.php?topic=1866666>

Question 12

When there are large numbers of buyers and sellers, then

- firms will move labor and capital in pursuit of profit-making opportunities to whatever business venture gives them the highest return on their investment.
- the products sold must look identical.
- consumers are able to find out about lower prices charged by other firms.
- no one buyer or seller has any influence on price.

Answer: <https://biology-forums.com/index.php?topic=1907707>

Question 13

In the short run, in a perfectly competitive market, a firm will shut down if

- A) $P < AVC$ for all levels of output.
- B) $P < ATC$ for all levels of output.
- C) $ATC > P > AVC$ for all levels of output.
- D) $P > AFC$ for all levels of output.

Answer: <https://biology-forums.com/index.php?topic=1865599>

Question 14

- A union that pursued a policy of restricting entry over time into the union would
- A) see real wages hold constant over time at whatever premium they could get initially.
 - B) also have to negotiate to be sure that all the members were able to find jobs.
 - C) generate rising real wages for its membership over time as long as demand for union workers increased over time.
 - D) fail to obtain benefits for their workers in excess of what the workers would get under open markets.

Answer: <https://biology-forums.com/index.php?topic=1866484>

Question 15

- In the long run, equilibrium positions that arise in both monopolistically competitive and perfectly competitive markets are
- A) $MR = MC$ and $P = MC$.
 - B) $P = ATC$ and $P = MC$.
 - C) $MR = MC$ and $P = ATC$.
 - D) $MR = MC = P$.

Answer: <https://biology-forums.com/index.php?topic=1865887>

Question 16

- The consumer optimum is the set of goods and services, subject to the limited income of the consumer, that
- A) the consumer can afford to buy.
 - B) is characterized by zero marginal utility on each good and service.
 - C) maximizes the level of satisfaction for each consumer.
 - D) is characterized by increasing marginal utility.

Answer: <https://biology-forums.com/index.php?topic=1864838>

Question 17

- A labor union composed of workers in the same occupation is called
- A) a craft union.
 - B) an industrial union.
 - C) a company union.
 - D) a closed shop.

Answer: <https://biology-forums.com/index.php?topic=1866449>

Question 18

- Suppose Mexico has a comparative advantage relative to the United States in the manufacture of clothing and the United States has a comparative advantage in producing agricultural products. Which of the following is most likely to occur?
- A) Mexico and the United States will not trade agricultural products or clothing.
 - B) Mexico will sell clothing to the United States and the United States will sell agricultural products to Mexico.
 - C) Mexico will sell agricultural products to the United States and Mexico will buy clothing from the United States.
 - D) Mexico will sell clothing to the United States but not buy any agricultural products from the United States.

Answer: <https://biology-forums.com/index.php?topic=1866967>

Question 19

- In comparing tariffs and quotas, we know that
- A) neither raises revenues for the federal government.
 - B) both raise revenues for the federal government.
 - C) tariffs raise revenues for the federal government, while quotas do not.
 - D) quotas raise revenues for the federal government, while tariffs do not.

Answer: <https://biology-forums.com/index.php?topic=1867094>

Question 20

- Total consumer surplus in a market is measured as the
- A) area bounded above the market clearing price and beneath the market demand curve.
 - B) area bounded below the market clearing price and above the market supply curve.
 - C) vertical distance from the horizontal (quantity) axis to the market clearing price.
 - D) horizontal distance from the vertical (price) axis to the equilibrium quantity.

Answer: <https://biology-forums.com/index.php?topic=1864415>