

Question 1

Money must be _____ which includes the fact that it should _____.

- A) in physical form; not be transferable using electronic means
- B) accepted as a means of payment across countries' borders; not be fiat money
- C) generally accepted as a means of payment; be recognizable and divisible into small parts
- D) whatever is used in a barter system; transferable across countries' borders
- E) backed by gold; not decrease in value over time

Answer: <https://biology-forums.com/index.php?topic=322425>

Question 2

The United States exports a good if its no-trade U.S. price is _____ its world price. With international trade, U.S. production of the good _____ compared to the level of no-trade production.

- A) higher than; does not change
- B) higher than; increases
- C) lower than; increases
- D) the same as; increases
- E) the same as; does not change

Answer: <https://biology-forums.com/index.php?topic=317005>

Question 3

As the circular flow model shows, the factors of production flow from

- A) firms to households through the factor market.
- B) households to firms through the factor market.
- C) firms to households through the goods market.
- D) households to firms through the goods market.
- E) the goods market through firms to the factor markets.

Answer: <https://biology-forums.com/index.php?topic=311624>

Question 4

Which of the following best defines what money is now and what it has been in the past?

- A) currency
- B) currency plus checking deposits
- C) currency plus credit cards
- D) anything accepted as a means of payment
- E) anything used as a store of value

Answer: <https://biology-forums.com/index.php?topic=322573>

Question 5

Which of the following describes a difference between a price support and a price ceiling?

- A) A price support creates a deadweight loss while a price ceiling does not.
- B) A price ceiling is a regulated price while a price support is a regulated quantity.
- C) A price support decreases the quantity while a price ceiling does not.
- D) A price ceiling increases the price above the equilibrium price while a price support does not.
- E) A price support attempts to raise the price above the equilibrium price while a price ceiling does not.

Answer: <https://biology-forums.com/index.php?topic=316709>

Question 6

When a nation exports a good or service, employment in that industry

- A) decreases.
- B) stays the same.
- C) increases.
- D) might change, but more information about what else the country exports is needed to determine if employment increases, decreases, or does not change.
- E) might change, but more information about what the country imports is needed to determine if employment increases, decreases, or does not change.

Answer: <https://biology-forums.com/index.php?topic=317066>

Question 7

The main sources of cost-push inflation are increases in

- A) the money wage rate and the price of raw materials.
- B) the real wage rate and the price of raw materials.
- C) the money wage rate and aggregate demand.
- D) the quantity of money and the real wage rate.
- E) government expenditure and the quantity of money.

Answer: <https://biology-forums.com/index.php?topic=323550>

Question 8

In a recession, consumers have less income to spend. As a result, if dining out is a normal good, then which of the following would happen to the demand curve for dining out?

- A) The demand curve would shift leftward.
- B) The demand curve would not shift but the price of dining out would rise.
- C) The effect on the demand curve is unknown.
- D) The demand curve would shift rightward.
- E) The demand curve would not shift but the price of dining out would fall.

Answer: <https://biology-forums.com/index.php?topic=312873>

Question 9

The CPI was 225 in 2008 and 232.2 in 2009. The nominal interest rate during this period was 1.4 percent. What was the real interest rate during this period?

- A) 3.2 percent
- B) 1.8 percent
- C) 4.6 percent
- D) -3.2 percent
- E) -1.8 percent

Answer: <https://biology-forums.com/index.php?topic=321684>

Question 10

"Because of rent seeking, a monopoly may end up earning a normal profit." Is the previous statement correct or incorrect? Why?

Answer: <https://biology-forums.com/index.php?topic=319902>

Question 11

Vouchers given to consumers

- A) increase the demand for a good.
- B) decrease the demand for a good.
- C) increase the supply of a good.
- D) decrease the supply of a good.
- E) increase both the demand for the good and the supply of the good.

Answer: <https://biology-forums.com/index.php?topic=317903>

Question 12

In the business cycle, what immediately precedes the time when real GDP is falling?

- A) recession
- B) peak
- C) depression
- D) trough
- E) expansion

Answer: <https://biology-forums.com/index.php?topic=320994>

Question 13

How can a combination of goods be unattainable?

Answer: <https://biology-forums.com/index.php?topic=312613>

Question 14

A bowed out PPF reflects which of the following ideas?

- i. Increasing opportunity cost
 - ii. Resources are not equally productive in all activities.
 - iii. Prices of goods increase over time.
- A) i only
 - B) i and ii

- C) i and iii
- D) ii and iii
- E) i, ii, and iii

Answer: <https://biology-forums.com/index.php?topic=312170>

Question 15

Suppose that the number of companies selling computer software decreases. How does this change affect the supply of computer software and the supply curve of computer software?

Answer: <https://biology-forums.com/index.php?topic=313666>

Question 16

Gross Domestic Product is the market value of all _____ produced within a country in a given period of time.

- A) final goods
- B) intermediate goods
- C) final services
- D) intermediate services
- E) final goods and services

Answer: <https://biology-forums.com/index.php?topic=320605>

Question 17

If both producers and consumers believe that a product's price will rise in the future, then at the present, the equilibrium price

- A) does not change.
- B) rises.
- C) falls.
- D) might rise, fall, or not change, but the change can never be predicted.
- E) might rise, fall, or not change depending on whether the effect from the producers is greater than or less than the effect from the consumers.

Answer: <https://biology-forums.com/index.php?topic=313500>

Question 18

The cost of producing an additional unit of a good or service that is borne by the producer of that good or service

- A) always equals the benefit the consumer derives from that good or service.
- B) equals the cost borne by people other than the producer.
- C) is the marginal private cost.
- D) is the external cost.
- E) is the marginal social cost.

Answer: <https://biology-forums.com/index.php?topic=317733>

Question 19

Which of the following does NOT shift the aggregate demand curve?

- A) a change in the money wage
- B) a change in expectations about the future
- C) a change in monetary policy
- D) a change in fiscal policy
- E) a change in foreign income

Answer: <https://biology-forums.com/index.php?topic=323356>

Question 20

What did Adam Smith identify as the source of the invisible hand in 1776?

- A) a benevolent central government that decided was best for everyone
- B) an individual's concern for fellow humans
- C) an individual's own self-interest
- D) the stock market
- E) buyers' and suppliers' concerns to obtain and retain good reputations

Answer: <https://biology-forums.com/index.php?topic=315362>