

Question 1

Increasing opportunity cost exists

- A) in the real world.
- B) as long as there is high unemployment.
- C) only in theory but not in real life.
- D) for a country but not for an individual.
- E) inside the PPF but not on the PPF.

Answer: <https://biology-forums.com/index.php?topic=312256>

Question 2

How do exports affect buyers' consumer surplus?

Answer: <https://biology-forums.com/index.php?topic=317459>

Question 3

What is producer surplus?

Answer: <https://biology-forums.com/index.php?topic=315752>

Question 4

What is the Rule of 70?

Answer: <https://biology-forums.com/index.php?topic=322362>

Question 5

Changes in which of the following do NOT shift the AS curve?

- i. the price level
- ii. potential GDP
- iii. the money wage rate

- A) i only
- B) ii only
- C) iii only
- D) i and ii
- E) i, ii, and iii

Answer: <https://biology-forums.com/index.php?topic=323236>

Question 6

Can nominal GDP ever be less than real GDP?

Answer: <https://biology-forums.com/index.php?topic=321098>

Question 7

How do exports affect sellers' producer surplus?

Answer: <https://biology-forums.com/index.php?topic=317461>

Question 8

In the long run all costs are variable costs. Why?

Answer: <https://biology-forums.com/index.php?topic=318620>

Question 9

In measuring GDP, which of the following is included?

- A) the value of preparing meals at home
- B) the value of stocks and bonds bought and sold
- C) the value of used goods when they are sold
- D) the value of increases in business inventories
- E) the value of durable consumption goods but not the value of nondurable consumption goods.

Answer: <https://biology-forums.com/index.php?topic=320670>

Question 10

Which of the following are considered money?

- i. electronic checks

- ii. paper checks
 - iii. the deposit transferred using an e-check
- A) i, ii and iii
B) i and iii
C) i and ii
D) iii only
E) ii and iii

Answer: <https://biology-forums.com/index.php?topic=322523>

Question 11

Name the four factors of production that determine the quantity of real GDP supplied. Which one fluctuates the most over the course of the business cycle?

Answer: <https://biology-forums.com/index.php?topic=323684>

Question 12

To help unscramble cause and effect, economists

- A) use the concept of opportunity costs.
- B) must use the ceteris paribus assumption.
- C) answer the "what" question.
- D) answer the "how" question.
- E) must use normative statements.

Answer: <https://biology-forums.com/index.php?topic=311080>

Question 13

What is the long-run average cost curve? What are the three ranges of output and in what order do they occur? Briefly define each of the three ranges.

Answer: <https://biology-forums.com/index.php?topic=318624>

Question 14

During the middle of the 2000s, the price of gasoline soared and there was a movement to switch to fuels made from a mixture of gasoline and ethanol. Ethanol can be made from corn. The price of corn skyrocketed and then, after a couple of years, the price decreased. What might have led to these price changes in the corn market?

Answer: <https://biology-forums.com/index.php?topic=319183>

Question 15

The process of price cap regulation includes which of the following?

- i. a price ceiling
 - ii. marginal cost pricing
 - iii. average cost pricing
- A) i only
B) ii only
C) i and ii
D) ii and iii
E) i and iii

Answer: <https://biology-forums.com/index.php?topic=319765>

Question 16

What is price discrimination?

Answer: <https://biology-forums.com/index.php?topic=319850>

Question 17

When plotted against the total output, what does the total fixed cost curve look like?

Answer: <https://biology-forums.com/index.php?topic=318593>

Question 18

How do imports affect sellers' producer surplus?

Answer: <https://biology-forums.com/index.php?topic=317455>

Question 19

Suppose unregulated production of pesticides results in an equilibrium price and quantity of \$400 and 1,000 tons per day, respectively, and a marginal

external cost of \$10 a ton.

- a. If the government were to eliminate the external cost by using pollution charges, what should the pollution charge be set at?
- b. If the government were to eliminate the external cost by using taxes, what should the tax equal?
- c. Would the government actions described above affect the quantity of pesticides produced? If yes, how? If no, why not?

Answer: <https://biology-forums.com/index.php?topic=318061>

Question 20

In calculating GDP, we must

- A) add the market value of imports and subtract the market value of exports.
- B) add the market value of exports and subtract the market value of imports.
- C) exclude net exports of goods and services (NX).
- D) add the value of the goods produced outside of the United States by American firms.
- E) subtract the market value of imports, because these goods are produced in a country other than the United States, and subtract the market value of exports, because these goods are consumed in a country other than the United States.

Answer: <https://biology-forums.com/index.php?topic=320690>