

Question 1

Question 1.If the cross-price elasticity of demand between beer and wine is 0.31, then beer and wine are

- complements.
- price-inelastic goods.
- substitutes.
- necessities.

Question 2.Consider the following pairs of items:

a.shampoo and conditionerb.iPhones and earbudsc.a laptop computer and a desktop computerd.beef and porke.air-travel and weed killer

Which of the pairs listed will have a positive cross-price elasticity?

- a and b only
- c and d only
- e only
- a, b, and c only

Answer: <https://biology-forums.com/index.php?topic=1906882>

Question 2

Question 1.Table 4-6

DemandSupply $P = 80 - QDP = 50 + 1/2 QS$ $QD = 80 - PQS = 2P - 100$

Refer to Table 4-6. The equations above describe the demand and supply for Chef Ernie's Sushi-on-a-Stick. The equilibrium price and quantity for Chef Ernie's sushi are \$60 and 20 thousand units. What is the value of consumer surplus?

- \$100 thousand
- \$200 thousand
- \$600 thousand
- \$800 thousand

Question 2.Table 4-6

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Answer: <https://biology-forums.com/index.php?topic=1906840>

Question 3

For decades, the NCAA restricted the number of college football and basketball games that could be televised, and in 1982 the University of Georgia and the University of Oklahoma sued the NCAA under the federal antitrust laws. In 1984, the Supreme Court decided the case

- for the NCAA, citing the fact that belonging to the NCAA was voluntary.
- against the NCAA, citing that the NCAA did not control what television networks put on the air.
- against the NCAA, citing anticompetitive practice.
- against the NCAA, citing explicit collusion among the larger colleges.

Answer: <https://biology-forums.com/index.php?topic=1907208>

Question 4

Are sellers who practice arbitrage taking advantage of buyers?

Answer: <https://biology-forums.com/index.php?topic=1907252>

Question 5

Question 1.If you own a bond with a 3 percent coupon rate and new bonds are paying 8 percent, what will happen to your bond's market price?

Question 2.What role do well-functioning financial markets play in a market economy?

Answer: <https://biology-forums.com/index.php?topic=1906942>

Question 6

How would a marketing campaign directed at single women improve the chances of success at a place like a cigar bar?

Answer: <https://biology-forums.com/index.php?topic=1907139>

Question 7

Question 1.The overall mortality rate in the United States has remained fairly constant for the past 35 years.

- true

- false

Question 2. The largest government-run health care system in the world, with 1.4 million employees, is in

- Canada.
- Japan.
- the United Kingdom.
- the United States.

Answer: <https://biology-forums.com/index.php?topic=1906924>

Question 8

Figure 12-8

Refer to Figure 12-8. Suppose the firm produces 4,000 units. What does the shaded area labeled B represent?

- the firm's economic loss
- total variable cost
- average variable cost
- total fixed cost

Answer: <https://biology-forums.com/index.php?topic=1907080>

Question 9

Figure 13-6

Refer to Figure 13-6. Suppose the above graph represents the relationship between the average total cost of producing notebook computers and the quantity of notebook computers produced by Dell. On a graph, illustrate the demand, MR, MC, and ATC curves which would represent Dell maximizing profits at a quantity of 100,000 per month and identify the area on the graph which represents the profit.

Answer: <https://biology-forums.com/index.php?topic=1907100>

Question 10

Question 1. Which of the following is a reason why it is difficult to estimate the extent of economic discrimination in the labor market?

- Employers who discriminate are likely to do so in overt ways such as awarding some workers with benefits-in-kind.
- Ultimately, employers who discriminate cannot remain profitable.
- Employers who discriminate pay an economic penalty.
- Differences in wages can be attributed to many other factors as well, such as differences in productivity and preferences.

Question 2. The situation where some talented people may not enter an occupation because they have heard that people with their personal characteristics do not get hired in that occupation is known as

- economic discrimination.
- a compensating differential.
- a negative feedback loop.
- worker discrimination.

Answer: <https://biology-forums.com/index.php?topic=1907400>

Question 11

Question 1. Figure 2-2

Figure 2-2 above shows the production possibilities frontier for Mendonca, an agrarian nation that produces two goods, meat and vegetables.

Refer to Figure 2-2. The linear production possibilities frontier in the figure indicates that

- Mendonca has a comparative advantage in the production of vegetables.
- Mendonca has a comparative disadvantage in the production of meat.
- the trade-off between meat and vegetables is constant.
- it is progressively more expensive to produce meat.

Question 2. A production possibilities frontier with a bowed-outward shape indicates

- the possibility of inefficient production.
- constant opportunity costs as more and more of one good is produced.
- increasing opportunity costs as more and more of one good is produced.
- decreasing opportunity costs as more and more of one good is produced.

Answer: <https://biology-forums.com/index.php?topic=1906765>

Question 12

If Dawson prefers pizza to hamburgers and hamburgers to hot dogs, then if preferences are transitive

- at times she could be indifferent among the three items.
- she must prefer pizza to hot dogs.
- she could prefer hamburgers to pizza on some occasions but not hot dogs to pizza.
- she could prefer hot dogs to pizza on some occasions but not hamburgers to hot dogs.

Answer: <https://biology-forums.com/index.php?topic=1906989>

Question 13

For certain public projects such as building a dam on a river or a bridge to an island, what procedure is a government likely to use to determine what quantity of a public good should be supplied?

- It conducts public surveys to determine if consumers want the product.
- It checks to see what current spending can be eliminated, and how much of the public good can be supplied from the spending cut.
- It takes a vote in Congress.
- It evaluates the costs and benefits of producing the good.

Answer: <https://biology-forums.com/index.php?topic=1906855>

Question 14

Dell Computers allows potential consumers to customize personal computers to their desires. Dell's strategy is successful because offering bundles that more exactly meet a consumer's preference allows Dell to extract more consumer surplus.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1907251>

Question 15

Which of the following is not part of an oligopolist's business strategy?

- deciding on how to manage relations with suppliers
- choosing what new technologies to adopt
- selecting which new markets to enter
- independently setting a product's price without consideration of its rivals' pricing policies

Answer: <https://biology-forums.com/index.php?topic=1907145>

Question 16

Figure 14-5

Netflix (N) was one of the first companies to offer streaming video services and is still considered a leader in the industry. Spotify (S) offers a music streaming service and in 2015 considered entering the video streaming business. At that point, Netflix had to decide whether or not to lower its subscription price in order to deter Spotify's entry into the market. Figure 14-5 shows a hypothetical decision tree for the Netflix-Spotify entry game. Refer to Figure 14-5. If Netflix lowers its price, will this deter Spotify from setting up a streaming video service?

- yes, because Spotify stands to lose \$1 million if it competes with Netflix
- yes, because Spotify will make a smaller profit than Netflix if it chooses to compete
- no, because Spotify will make a profit if it competes with Netflix
- no, because Spotify will make a larger profit than Netflix if it chooses to compete

Answer: <https://biology-forums.com/index.php?topic=1907164>

Question 17

Molly received an autographed poster of David Hasselhoff for her 21st birthday. Her friend Helga offered her \$50 for the poster, but Molly refused to sell the poster even though she knows she would never pay that much to replace it if it was ever damaged or destroyed. Explain this inconsistency in Molly's behavior.

Answer: <https://biology-forums.com/index.php?topic=1906983>

Question 18

In the long run, if the demand curve of a profit-maximizing monopolistically competitive firm is tangent to its average total cost curve, then

- the firm would break even.
- the firm would shut down temporarily.
- the firm would earn enough revenue to cover its variable costs, but not its fixed costs.
- the firm would earn an economic profit.

Answer: <https://biology-forums.com/index.php?topic=1907102>

Question 19

According to Porter's Five Competitive Forces Model, similar products produced by different firms within the industry affects a firm's ability to raise prices far more than substitutable products produced outside the industry.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1907200>

Question 20

A perfectly competitive firm's marginal revenue curve is downward sloping.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1907069>

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