

Question 1

What is the income elasticity of demand for pizza between points A and B?

- 0.2
- 2.5
- 1.5
- 0.33

Answer: <https://biology-forums.com/index.php?topic=1910491>

Question 2

The value of any index for the reference or base year is always 1.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910422>

Question 3

Automatic fiscal policy instruments include

- Regressive income tax rate schedule.
- Government contracts.
- Unemployment compensation.
- None of the above.

Answer: <https://biology-forums.com/index.php?topic=1910782>

Question 4

_____ : the level of output per unit of input.

Answer: <https://biology-forums.com/index.php?topic=1910430>

Question 5

_____ : nominal GDP divided by the implicit GDP price deflator.

Answer: <https://biology-forums.com/index.php?topic=1910829>

Question 6

The consumer price index or CPI includes

- The cost of a standard market basket bought by consumers in the current year relative to a base period.
- The cost of a standard market basket bought by producers in the current year.
- The cost of a standard market basket bought by producers in the current year relative to a base period.
- The cost of a standard market basket bought by consumers in the current year.

Answer: <https://biology-forums.com/index.php?topic=1910809>

Question 7

A major change in farm program policy forthcoming in the 2014 farm bill involves greater reliance on property insurance as a means of providing a safety net to farmers.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910731>

Question 8

The Federal Reserve can act to reduce a recessionary gap in the nation's product market by lowering income tax rates.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910788>

Question 9

_____ : a quantitative restriction on the amount of a product that may enter a country during the time period.

Answer: <https://biology-forums.com/index.php?topic=1910915>

Question 10

The production possibilities frontier represents the technically efficient combination of two products a business can produce in the current period given

its existing resources and technology.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910633>

Question 11

The prior appropriation doctrine is a system in which individuals have rights to specific quantities of water and these right can be sold to others.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910700>

Question 12

The interbank market trafficking in reserves is known as the _____.

Answer: <https://biology-forums.com/index.php?topic=1910802>

Question 13

Comparative advantage is a monetary concept and is affected by changes in exchange rates or inflation.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910872>

Question 14

Suppose that a retailer sells 500 six-packs of Dr. Pepper per day at \$3.50/six-pack. Also, suppose that the cross-price elasticity between Dr. Pepper and Pepsi is 0.6. Then Dr. Pepper and Pepsi are _____ goods.

Answer: <https://biology-forums.com/index.php?topic=1910517>

Question 15

Cost push inflation occurs when prices are rising throughout the economy even though the economy is nowhere near full employment output.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910822>

Question 16

The figure below represents the marginal cost of abatement for two firms. If firms are initially required to abate 3 units each, but they have the option of trading, Firm _____ would buy pollution rights so that it is required to abate less and Firm _____ would sell rights, requiring it to abate more.

Answer: <https://biology-forums.com/index.php?topic=1910707>

Question 17

Assume that for a given consumer, the marginal utility of cheap food is 100 and the price of cheap food is \$40. Also, assume that the marginal utility of environmental quality is 200 and the price of environmental quality is \$100. This consumer:

- Is in equilibrium.
- Should buy more cheap food.
- Should buy more environmental quality.
- Can't tell; insufficient information given to answer this question.

Answer: <https://biology-forums.com/index.php?topic=1910465>

Question 18

_____ : a market structure that has only one firm buying from sellers.

Answer: <https://biology-forums.com/index.php?topic=1910680>

Question 19

An increase in aggregate demand in the normal range of the economy's aggregate supply curve will increase the general price level in the economy.

- true
- false

Answer: <https://biology-forums.com/index.php?topic=1910790>

Question 20

A record crop can lead to

- Sharp declines in input use and cash receipts from sale of production.
- Sharp declines in cash receipts from sale of production and higher input prices taxes.
- Sharp declines in farm product prices and cash receipts from sale of production.
- None of the above

Answer: <https://biology-forums.com/index.php?topic=1910713>

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