

Question 1

Economists refer to the ideal combination of the price a firm should charge and the quantity a firm should produce as

- A) profit maximization.
- B) maximized production.
- C) perfect competition.
- D) optimus prime.

Answer: <https://biology-forums.com/index.php?topic=309730>

Question 2

You are trying to decide if you should take a vacation. Your cost-benefit analysis indicates that the benefits outweigh the costs. You should

- A) take a vacation.
- B) not take a vacation.
- C) take a vacation only if you have enough cash saved up to pay for it up front.
- D) More information is needed to make this decision.

Answer: <https://biology-forums.com/index.php?topic=309454>

Question 3

Since the Social Security system began in the 1930s, the number of workers per retiree

- A) has stayed roughly the same.
- B) has declined.
- C) has risen.
- D) declined through 1960 and has risen ever since.

Answer: <https://biology-forums.com/index.php?topic=310824>

Question 4

The period of time between when monetary policy is enacted and when it actually begins to affect the economy is called the

- A) recognition lag.
- B) implementation lag.
- C) impact lag.
- D) liquidity lag.

Answer: <https://biology-forums.com/index.php?topic=310749>

Question 5

Because oil price increases reduce the consumption of oil, this discourages the development of oil substitutes.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=309980>

Question 6

If consumers suddenly have a greater desire for energy drinks, the price of energy drinks will likely _____ and producers will _____ production.

- A) increase; decrease
- B) increase; increase
- C) decrease; decrease
- D) decrease; increase

Answer: <https://biology-forums.com/index.php?topic=309750>

Question 7

The health care system in the United Kingdom is often referred to as _____, under which the government owns most of the hospitals and employs most of the doctors.

- A) a single-payer system
- B) a universal health insurance system
- C) socialized medicine
- D) a private health care system

Answer: <https://biology-forums.com/index.php?topic=310349>

Question 8

Structural unemployment results in a _____ of labor which should theoretically be reduced by a(n) _____ in the wage rate.

- A) surplus; decrease
- B) surplus; increase

C) shortage; decrease

D) shortage; increase

Answer: <https://biology-forums.com/index.php?topic=310594>

Question 9

Property rights are limited to tangible items such as land and machinery.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=309788>

Question 10

Explain why choosing which job to apply for constitutes a game, while choosing where to order pizza for dinner is more likely just a decision.

Answer: <https://biology-forums.com/index.php?topic=309537>

Question 11

Physical capital makes workers _____, so a declining capital stock _____.

A) more productive; helps an economy grow

B) less productive; helps an economy grow

C) more productive; hinders economic growth

D) less productive; hinders economic growth

Answer: <https://biology-forums.com/index.php?topic=310536>

Question 12

Balthazar and Artemis are cousins who grow stick cactus in adjacent plots. Each can choose to work somewhat hard and expend \$200 worth of effort, or can work extremely hard and expend \$300 worth of effort. If either works somewhat hard, he can produce stick cactus that sell for a total of \$650. If either works extremely hard, he can produce stick cactus which sell for a total of \$800. Both Balthazar and Artemis are equally good at growing stick cactus.

a. What is the dominant strategy for Balthazar and for Artemis?

b. If both play their dominant strategies, what is the net payoff for each cousin?

c. Is there a Nash equilibrium, and if so, what is it?

Now assume the cousins are forced by government to combine their plots and share what they make.

d. What is the dominant strategy for Balthazar and for Artemis?

e. If both play their dominant strategies, what is the net payoff for each cousin?

f. Is there a Nash equilibrium, and if so, what is it?

g. How did this change in property rights affect each cousin's incentive to work, and what happens to the economic pie?

Answer: <https://biology-forums.com/index.php?topic=309804>

Question 13

When measured as a share of the total federal budget, entitlement spending has doubled over the last 50 years.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310815>

Question 14

When there are three or more options, plurality-rule voting does a good job of capturing the preferences of voters.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310278>

Question 15

When the law grants someone control of a resource, that control is referred to as a property right.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=309868>

Question 16

In a zero-sum game, one player's winnings equal the other player's losses.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310227>

Question 17

What does GDP measure, and what is the formula for calculating GDP using the expenditures approach?

Answer: <https://biology-forums.com/index.php?topic=310505>

Question 18

An unexpected large increase in the price of crude oil is an example of a supply shock.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310551>

Question 19

The instant runoff voting method is also known as a single transferrable vote system.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310282>

Question 20

Improved quality in health care services is partly responsible for increases in health care costs in the United States.

[br]Is this true or false?!

Answer: <https://biology-forums.com/index.php?topic=310345>