

Economic incentives can come from
markets, government programs, or taxes.

taxes.

government programs.

markets.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-88 Economic incentives can come from...

Using Figure 1.5, we know the production of 2 units of soda and 2 units of pizza is

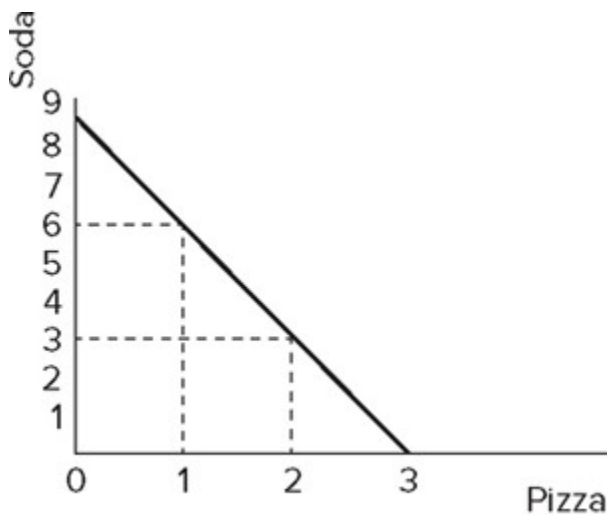


Figure 1.5

possible, but there would be unemployed resources.

impossible because we have the technology but do not have the resources.

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-56 Using Figure 1.5, we know...

Referring to the four production possibilities frontiers in Figure 1.10, which depicts both specialized growth in soda and increasing opportunity cost?

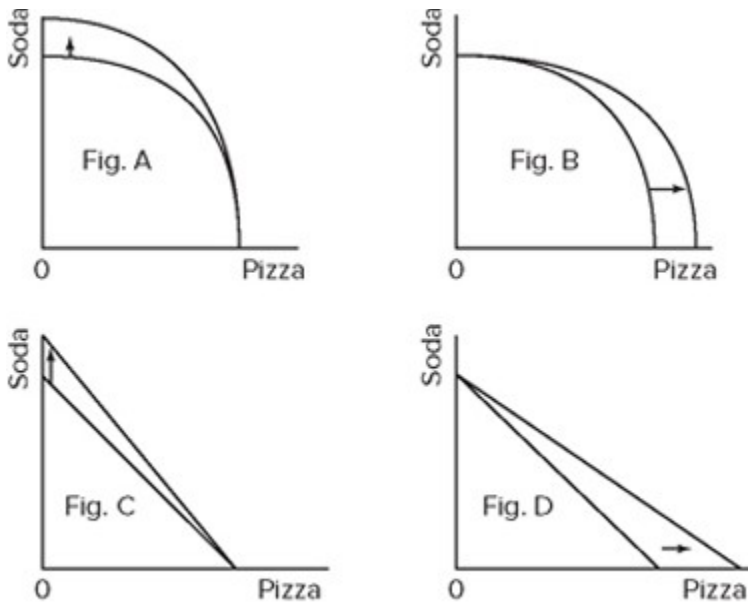


Figure 1.10

Fig. B

Fig. A

Fig. D

Fig. C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-77 Referring to the four production...

The underlying reason production possibilities frontiers are likely to be bowed out (rather than linear) is

there is always some level of unemployment.

some resources and people can be better used producing one good rather than another.

choices have consequences.

there is always opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-12 The underlying reason production possibilities...

Buyers and sellers in the market for goods and services might be negotiating an exchange of goods for use by final consumers.

labor or financial capital.

services provided to final consumers.

either goods for use by final consumers or services provided to final consumers.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-117 Buyers and sellers in the...

When analyzing a problem, an economist will compare the _____ and choose the outcome where they are equal.

average benefits to the average costs

fixed benefits to the fixed costs

marginal benefits to the marginal costs

total benefits to the total costs

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-86 When analyzing a problem, an...

Of the three production possibilities frontiers shown in Figure 1.3, increasing opportunity cost is depicted in

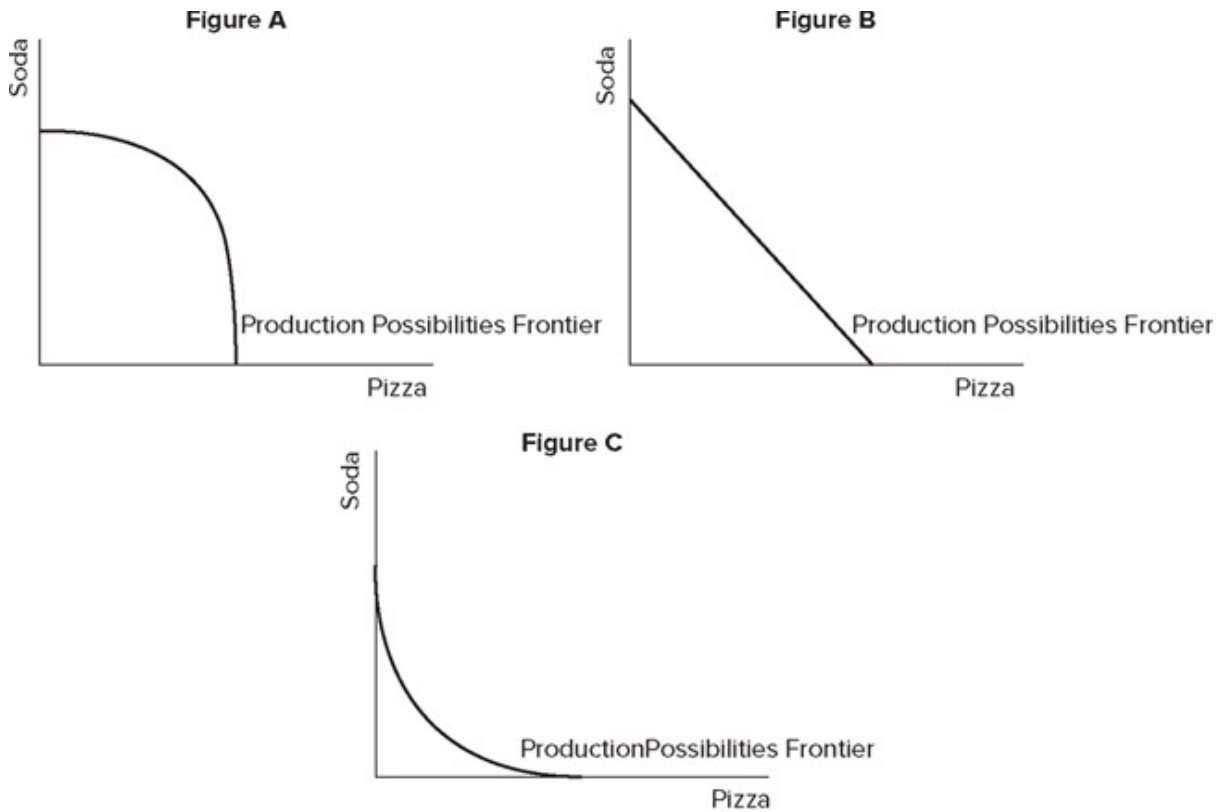


Figure 1.3 A, B and C
all three figures.

Figure B.

Figure A.

Figure C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-41 Of the three production possibilities...

Large increases in educational attainment would likely be a source of concentrated growth.

specialized growth.

generalized growth.

import competing growth.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-76 Large increases in educational attainment...

A mechanism by which buyers and sellers of goods and services negotiate an exchange is a
goods and services market.

goods and services union.

factor market.

goods and services convention.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-113 A mechanism by which buyers...

The fact that snow cones sales fall when snow accumulated from the sky suggests that snow
cones sales and snow on the ground are

directly correlated.

inversely correlated.

neither directly correlated nor inversely correlated.

both directly correlated and inversely correlated.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

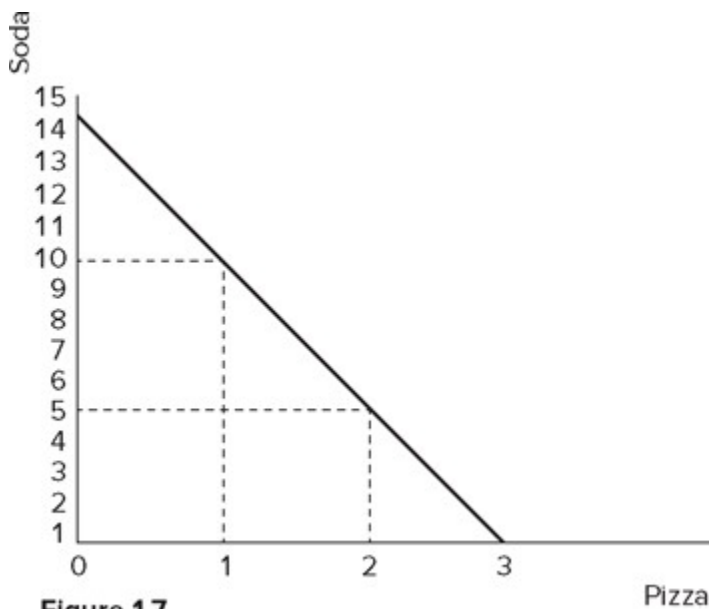
Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-94 The fact that snow cones...

Using Figure 1.7, it is the case that



there is increasing opportunity cost.

there is unemployment.

there is constant opportunity cost.

the technology does not exist to produce 10 units of soda and 1 unit of pizza.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-66 Using Figure 1.7, it is...

Something is scarce as long as

the government provides it.

there is no freely available infinite source of the item.

there is a price that the market puts on the item.

the market provides it.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-09 Something is scarce as long...

Economics is the study of

the allocation and use of scarce resources to satisfy unlimited human wants.

how much people should buy and the prices they should be willing to pay.

how much people should sell and the prices they should be willing to accept.

the allocation of the world's freely available resources and who should get them.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-01 Economics is the study of...

The underlying reason that there are unattainable points on a production possibilities frontier is that there

is unemployment of resources.

is a scarcity of resources within a fixed level of technology.

is government.

are always choices that have to be made.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-11 The underlying reason that there...

When analyzing a problem, if an economist is attempting to understand whether or not an action was fair or just, the economist is thinking

positively.

normatively.

justifiably.

negatively.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Ethics

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-98 When analyzing a problem, if...

Using Figure 1.6, we know the production of 90 units of soda and 2 units of pizza is

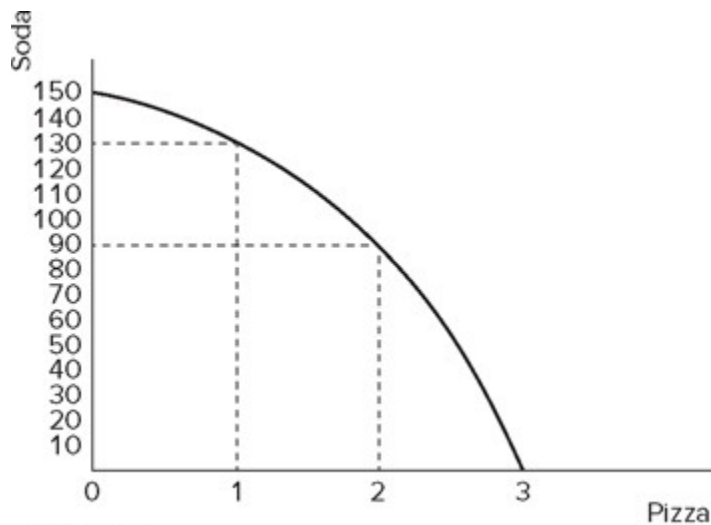


Figure 1.6

possible, but there would be unemployed resources.

impossible because we have the resources but do not have the technology.

possible, but only if all resources were fully employed.

impossible because we have the technology but do not have the resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

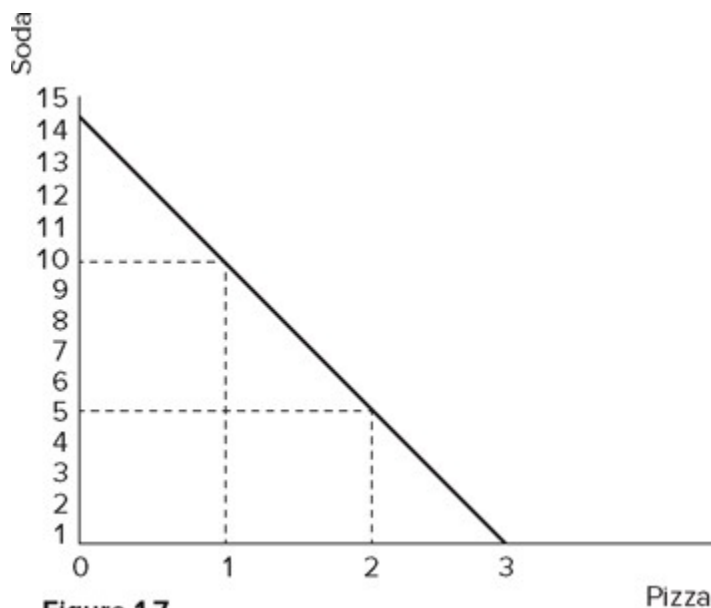
Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-62 Using Figure 1.6, we know...

Using Figure 1.7, we know the production of 4 units of soda and 2 units of pizza is



impossible because we have the resources but do not have the technology.

possible, but only if all resources were fully employed.

impossible because we have the technology but do not have the resources.

possible, but there would be unemployed resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-71 Using Figure 1.7, we know...

The one word in the definition of economics that focuses on the fact that it is impossible to provide all of the goods and services that everyone wants is

study.

scarcity.

allocation.

resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-02 The one word in the...

Points on the production possibilities frontier are

unattainable.

both attainable and unattainable.

associated with some unemployment

attainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-16 Points on the production possibilities...

Every worker is better off making more money and having better benefits. If you concluded from that fact that all workers would be better off if a law were passed requiring a 25 percent increase in wages and benefits, then you would be

right.

wrong because causation and correlation are not the same.

wrong and have fallen victim to the fallacy of composition.

wrong because workers operate on jealousy.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-110 Every worker is better off...

The development of a new energy source that could be used to produce or transport any good would be a source of

import competing growth.

specialized growth.

concentrated growth.

generalized growth.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-74 The development of a new...

An example of an incentive designed to promote savings would be

a tax provision that reduces the effective interest rate garnered by savings.

an increase in the capital gains tax rate.

an increase in the exclusion from taxable income of the first \$100 of dividends.

an increase in the sales tax.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-107 An example of an incentive...

Specialized growth is typically the result of an increase in the ability of resources to

produce all goods.

produce certain goods.

produce exported goods.

compete with imported goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-73 Specialized growth is typically the...

Referring to Figure 1.5, the opportunity cost of producing the first unit of pizza is

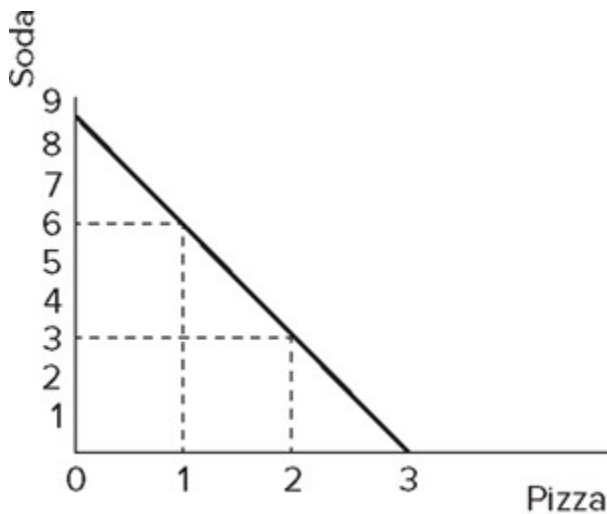


Figure 1.5

one unit of soda.

zero units of soda.

three units of soda.

six units of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-57 Referring to Figure 1.5, the...

Using Figure 1.4, we know the production of 9 units of soda and 1 unit of pizza is

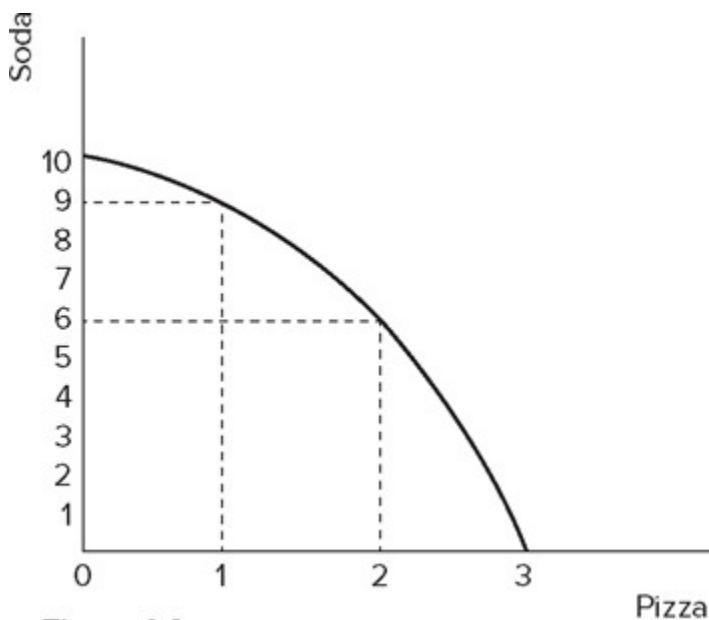


Figure 1.4

impossible because we have the resources but do not have the technology.

possible, but there would be unemployment.

impossible because we have the technology but do not have the resources.

possible, but only if all resources were fully employed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-45 Using Figure 1.4, we know...

Using Figure 1.5, it is the case that

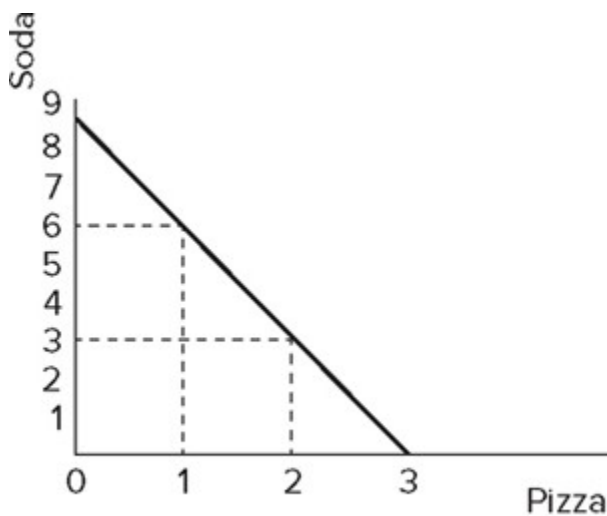


Figure 1.5

there is constant opportunity cost.

the technology does not exist to produce 6 units of soda and 1 unit of pizza.

there is increasing opportunity cost.

there is unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-51 Using Figure 1.5, it is...

Referring to Figure 1.8, if a point is unattainable, it is in

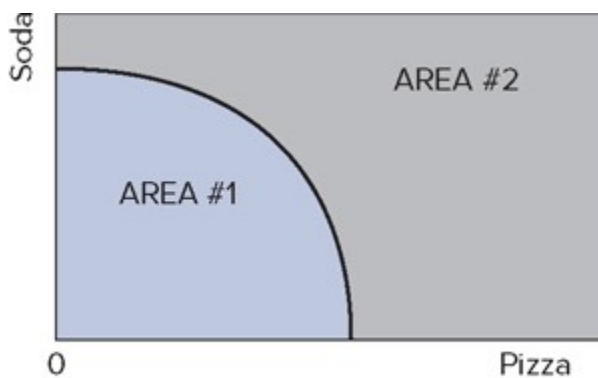


Figure 1.8

AREA #2 or is on the curve.

AREA #1 or is on the curve.

AREA #2 but not on the curve.

AREA #1 but not on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-35 Referring to Figure 1.8, if...

Referring to Figure 1.9, if a point is unattainable, it is in

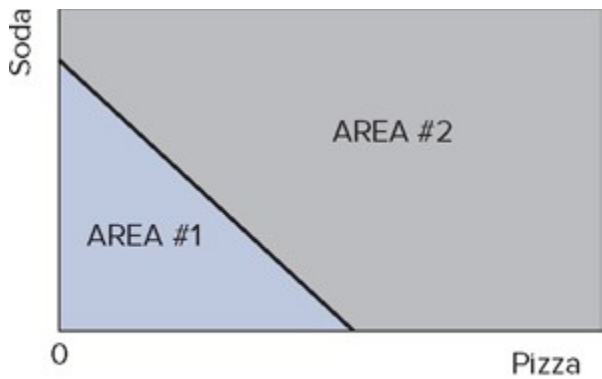


Figure 1.9

AREA #1 or is on the curve.

AREA #2 or is on the curve.

AREA #1 but not on the curve.

AREA #2 but not on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-38 Referring to Figure 1.9, if...

A simplifying assumption is typically made so as to

make a point clearer by stripping away excess detail.

divert attention from the real problem.

make things look better than they really are.

make a point clearer by adding sufficient detail to get things precise.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-08 A simplifying assumption is typically...

Referring to Figure 1.8, if a point is attainable, it is in

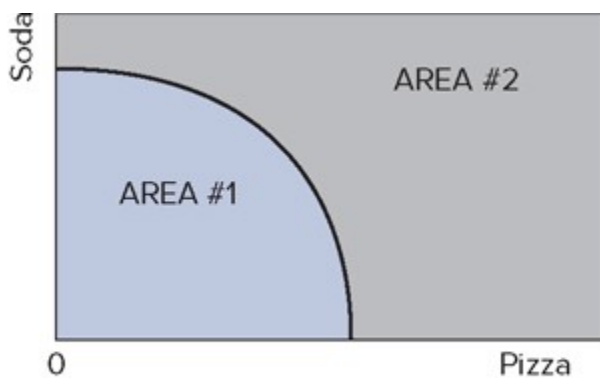


Figure 1.8

AREA #1 or is on the curve.

AREA #2 but not on the curve.

AREA #1 but not on the curve.

AREA #2 or is on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-34 Referring to Figure 1.8, if...

Using Figure 1.4, it is the case that

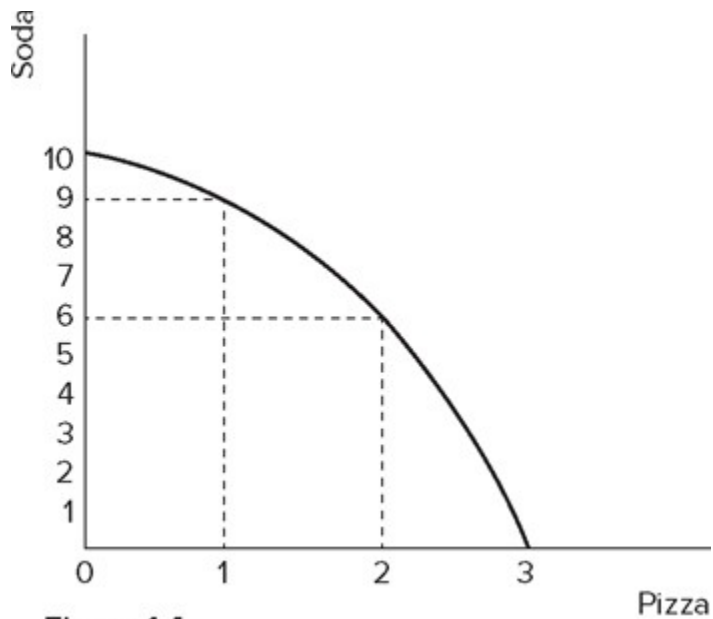


Figure 1.4

there is constant opportunity cost.

the technology does not exist to produce 9 units of soda and 1 unit of pizza.

there is unemployment.

there is increasing opportunity cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-42 Using Figure 1.4, it is...

Using Figure 1.6, we know the production of 90 units of soda and 1 unit of pizza is

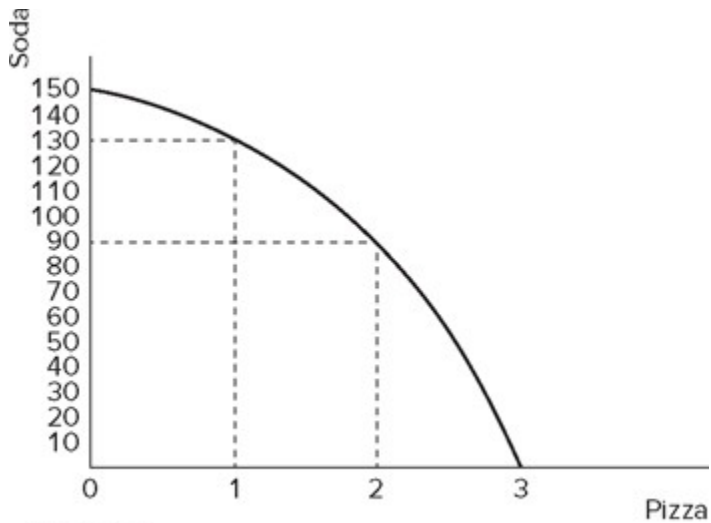


Figure 1.6

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

possible, but there would be unemployed resources.

impossible because we have the technology but do not have the resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-65 Using Figure 1.6, we know...

When analyzing a problem, if an economist is attempting to understand what the future implications of an action are without considering whether or not the action was fair or just, the economist is thinking

justifiably.

normatively.

positively.

negatively.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Ethics

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-99 When analyzing a problem, if...

Using Figure 1.5, we know the production of 6 units of soda and 2 units of pizza is

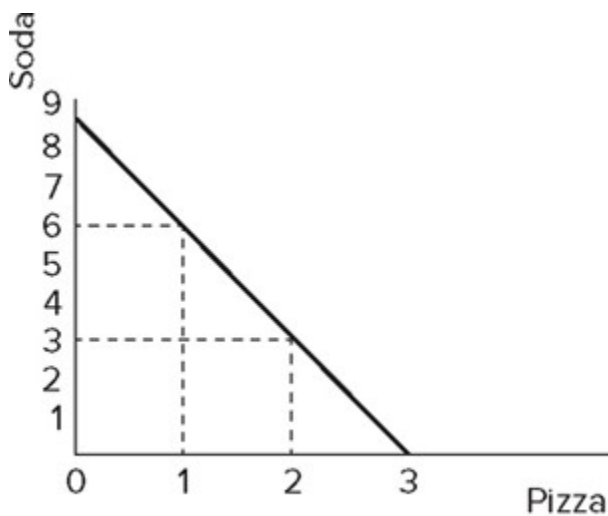


Figure 1.5

impossible because we either do not have the resources or the technology.

possible, but there would be unemployed resources.

possible, but only if all resources were fully employed.

undesirable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-55 Using Figure 1.5, we know...

Using Figure 1.5, we know the production of 6 units of soda and 1 unit of pizza is

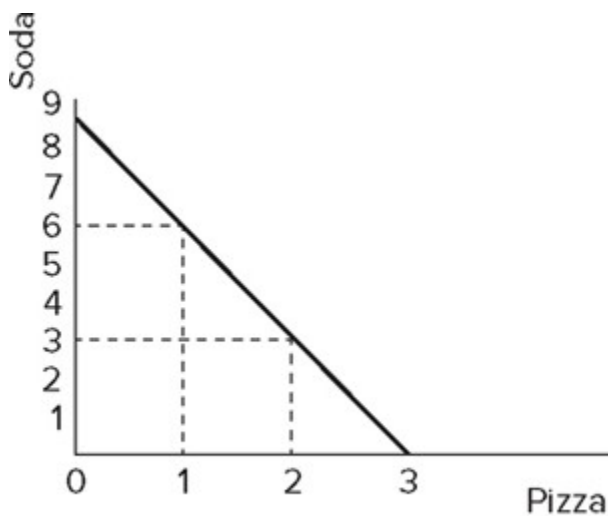


Figure 1.5

impossible because we have the technology but do not have the resources.

impossible because we have the resources but do not have the technology.

possible, but there would be unemployed resources.

possible, but only if all resources were fully employed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-54 Using Figure 1.5, we know...

A mechanism by which buyers and sellers of labor and financial capital negotiate an exchange is a

factor market.

stock market.

brokerage.

bond market.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoiding

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-112 A mechanism by which buyers...

Scarcity implies that the allocation scheme chosen by society

can typically make more of a good but at the expense of making less of another.

cannot make more of any one good.

must make less of all goods.

can always make more of all goods, simultaneously.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-05 Scarcity implies that the allocation...

Using Figure 1.6, it is the case that

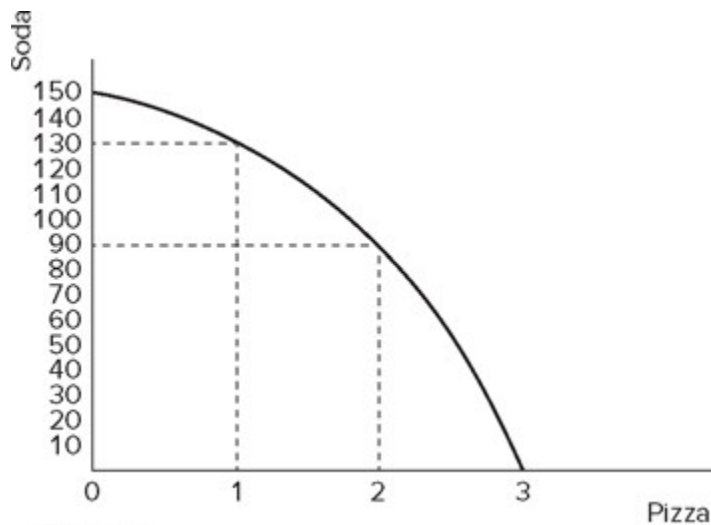


Figure 1.6

there is constant opportunity cost.

the technology does not exist to produce 130 units of soda and 1 unit of pizza.

there is unemployment.

the technology does not exist to produce 90 units of soda and 3 units of pizza.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-61 Using Figure 1.6, it is...

Of course, all individual students are better off if they get better grades. If you were to conclude that all students would be better off if everyone received an "A", you would

have fallen victim to the fallacy of composition.

be right.

be mistaking correlation with causation.

have fallen victim to the fallacy of scarcity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoiding

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-93 Of course, all individual students...

A production possibilities frontier is a simple model of

production and costs.

inputs and outputs.

prices and output.

scarcity and allocation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-07 A production possibilities frontier is...

A resource

is anything that we consume directly or use to make things we will ultimately consume.

only includes physical things.

must come from the earth.

must come from the earth and is anything that we consume directly or use to make things we will ultimately consume.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-10 A resource...

A mechanism by which buyers and sellers of the currencies of the various countries negotiate an exchange is a

foreign bank.

foreign exchange market.

foreign currency reserve.

foreign stock market.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-114 A mechanism by which buyers...

Referring to Figure 1.9, if a point is attainable, it is in

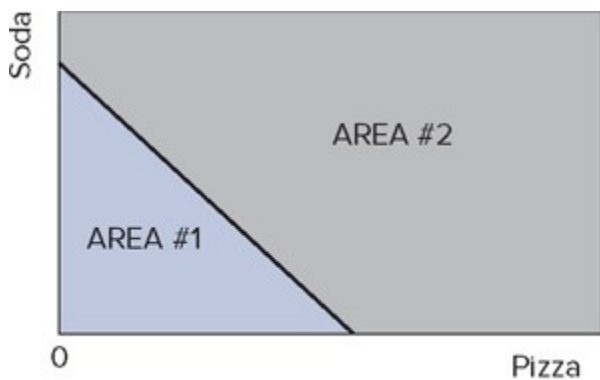


Figure 1.9

AREA #1 or is on the curve.

AREA #2 or is on the curve.

AREA #2 but not on the curve.

AREA #1 but not on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-37 Referring to Figure 1.9, if...

If the (steadily decreasing) marginal benefit of another day spent in the hospital is smaller than the (steadily increasing) marginal cost of an additional day spent in the hospital, the

net benefit from the hospital stay is maximized.

net benefit from the hospital stay must be decreasing.

net benefit from the hospital stay must be increasing.

net benefit from the hospital stay must be negative.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-121 If the (steadily decreasing) marginal...

The fact that when the temperature rises, snow shovel sales fall, suggests the two are

inversely correlated.

neither directly correlated nor inversely correlated.

both directly correlated and inversely correlated.

directly correlated.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-101 The fact that when the...

Using Figure 1.6, we know the production of 130 units of soda and 1 unit of pizza is

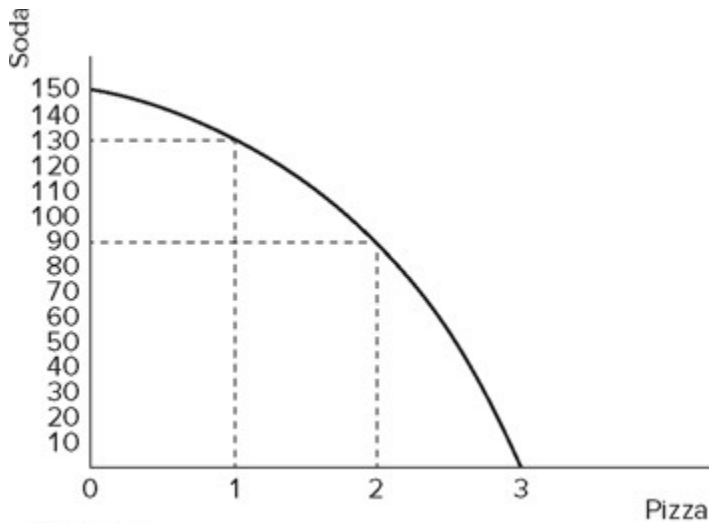


Figure 1.6

possible, but there would be unemployed resources.

impossible because we have the technology but do not have the resources.

impossible because we have the resources but do not have the technology.

possible, but only if all resources were fully employed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-63 Using Figure 1.6, we know...

Referring to Figure 1.4, the opportunity cost of producing the second unit of pizza is

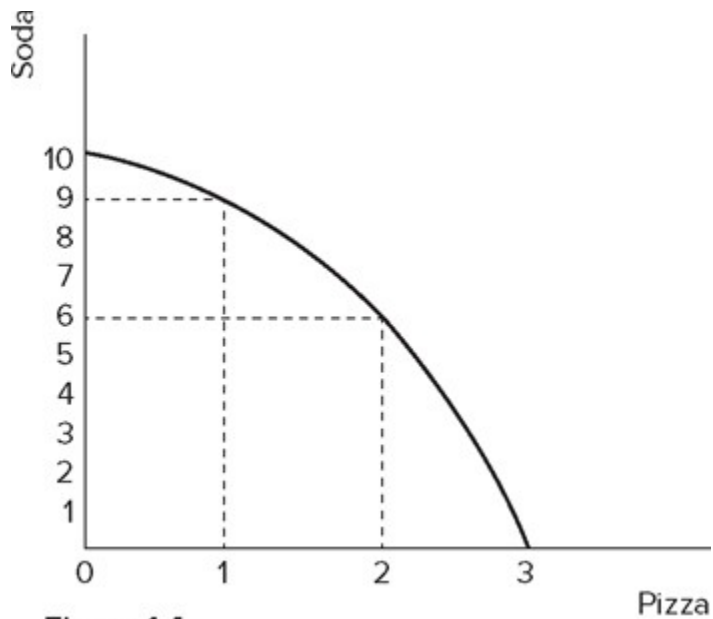


Figure 1.4

six units of soda.

the same as the opportunity cost of producing the first unit of pizza.

one unit of soda.

three units of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-49 Referring to Figure 1.4, the...

Buyers and sellers in the foreign exchange market negotiate an exchange of

currencies of various countries.

foreign stocks.

foreign government bonds.

foreign banks.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-115 Buyers and sellers in the...

If the (steadily decreasing) marginal benefit of another day spent in the hospital exceeds the (steadily increasing) marginal cost of an additional day spent in the hospital, the rational consumer of hospital services would be predicted to

demand a refund from the hospital for the previous day's stay.

check out of the hospital immediately.

complain about the hospital food.

stay in the hospital for at least that additional day.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-118 If the (steadily decreasing) marginal...

Any mechanism by which buyers and sellers negotiate an exchange is a market.

corporation.

brokerage.

negotiable instrument.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-111 Any mechanism by which buyers...

The fact that the production possibilities frontier is bowed out indicates there is increasing opportunity cost.

constant opportunity cost.

scarcity.

unemployment.

Question Details

Source : Chapter 01 Test Bank > MC Qu. 00-33 The fact that the production...

In Figure 1.2, of points A, B, C, and D, there are insufficient resources and technology to produce

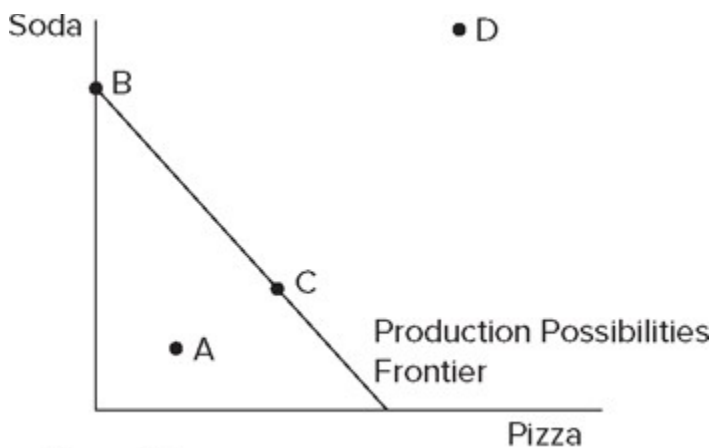


Figure 1.2

only D.

only A.

only C.

A, B, and C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-28 In Figure 1.2, of points...

The optimization assumption suggests that people make

irrational decisions.

unpredictable decisions.

decisions without thinking very hard.

decisions to make themselves as well off as possible.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-13 The optimization assumption suggests that...

Referring to Figure 1.4, the opportunity cost of producing the first unit of pizza is

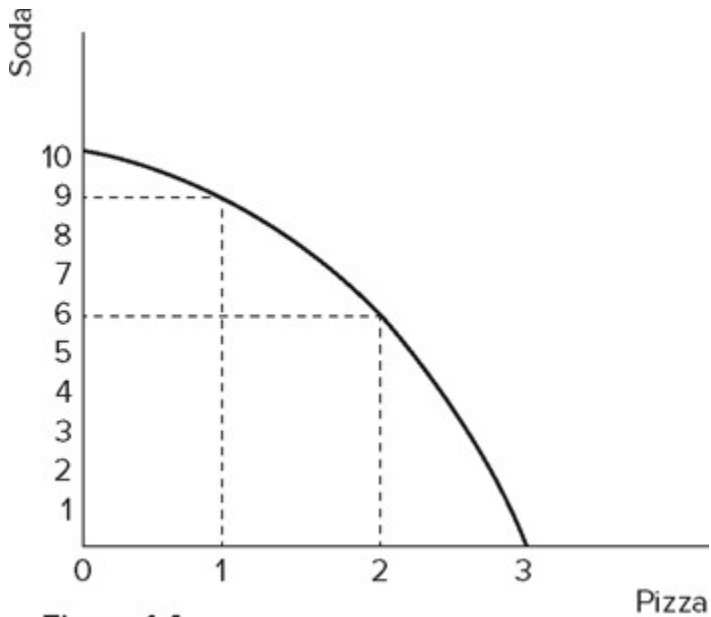


Figure 1.4

three units of soda.

the same as the opportunity cost of producing the second unit of pizza.

six units of soda.

one unit of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-48 Referring to Figure 1.4, the...

Large increases in the availability of labor would likely be a source of

generalized growth.

specialized growth.

import competing growth.

concentrated growth.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

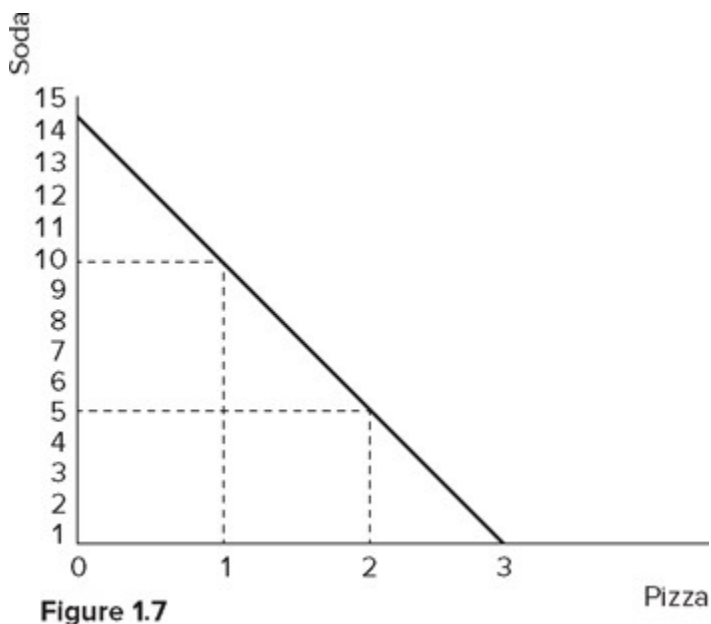
Difficulty : 1 Easy

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-75 Large increases in the availability...

Using Figure 1.7, we know the production of 10 units of soda and 2 units of pizza is



impossible because we either do not have the resources or the technology.

undesirable.

possible, but only if all resources were fully employed.

possible, but there would be unemployed resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-70 Using Figure 1.7, we know...

Referring to Figure 1.8, if a point represents unemployment, it is in

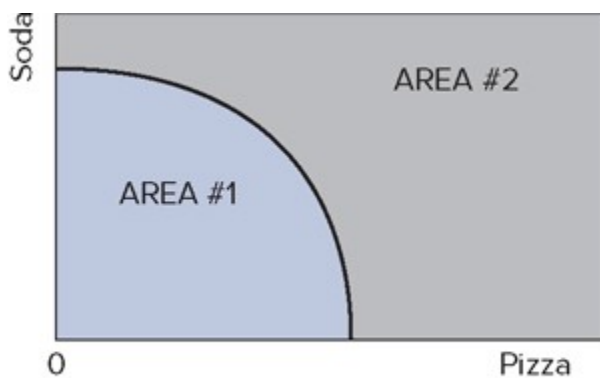


Figure 1.8

AREA #1 but not on the curve.

AREA #1 or is on the curve.

AREA #2 or is on the curve.

AREA #2 but not on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-36 Referring to Figure 1.8, if...

Using Figure 1.6, it is the case that

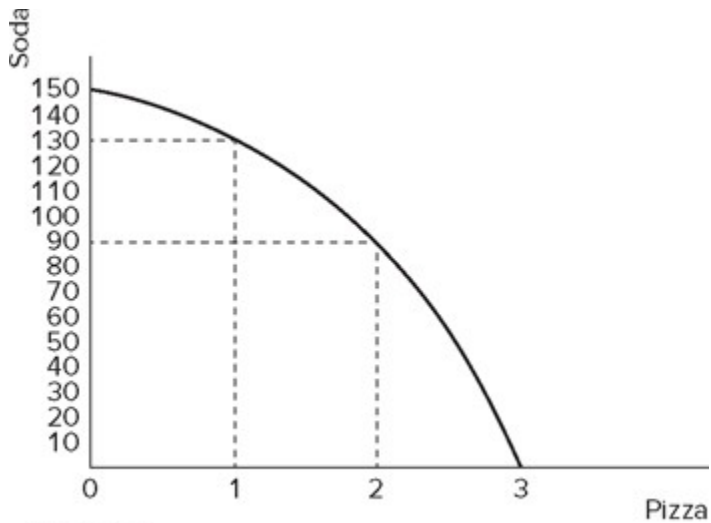


Figure 1.6

there is constant opportunity cost.

the technology does not exist to produce 90 units of soda and 2 units of pizza.

there is increasing opportunity cost.

there is unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-60 Using Figure 1.6, it is...

Referring to the four production possibilities frontiers in Figure 1.11, which pair depict generalized growth?

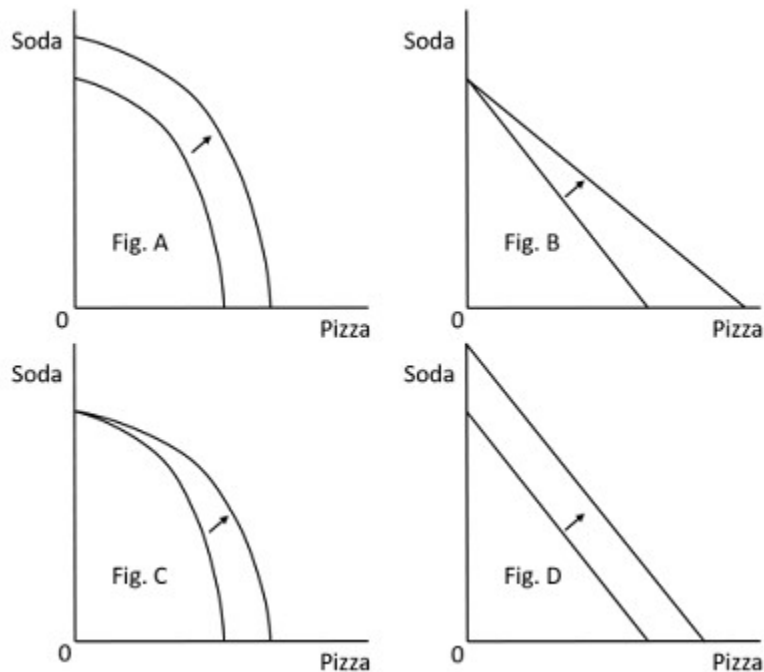


Fig. A and Fig. D

Fig. B and Fig. D

Fig. A and Fig. B

Fig. C and Fig. D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-83 Referring to the four production...

Suppose you heard a person speaking about two graphs. You couldn't make out quite what they were saying, but you saw that since 1920, the variable on the left graph showed a decreasing value, and the variable on the right graph showed an increasing value. If they asserted that the left graph variable's decrease therefore caused the right variable's increase, you would be correctly convinced that they were wrong.

not yet convinced because you understand the fallacy of composition.

convinced of the soundness of their argument.

not yet convinced because you understand that causation and correlation are not the same.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-109 Suppose you heard a person...

Each person is better off with a bigger tax return than with a small tax return. That means that everyone would be better off if all taxes were zero. A person saying that is

wrong and have fallen victim to the fallacy of composition.

wrong because firms operate on jealousy.

wrong because causation and correlation are not the same.

right.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-108 Each person is better off...

Using Figure 1.4, we know the production of 4 units of soda and 2 units of pizza is

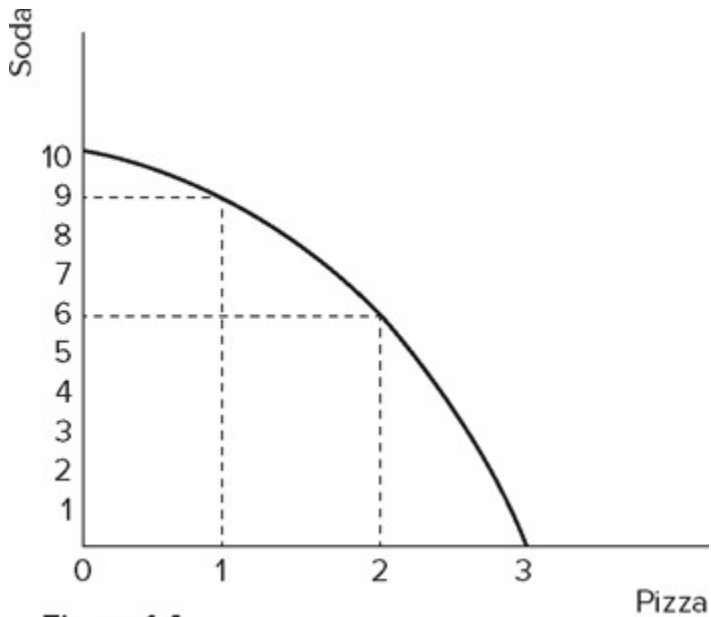


Figure 1.4

possible, but there would be unemployed resources.

impossible because we have the technology but do not have the resources.

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-47 Using Figure 1.4, we know...

Using Figure 1.4, we know the production of 6 units of soda and 2 units of pizza is

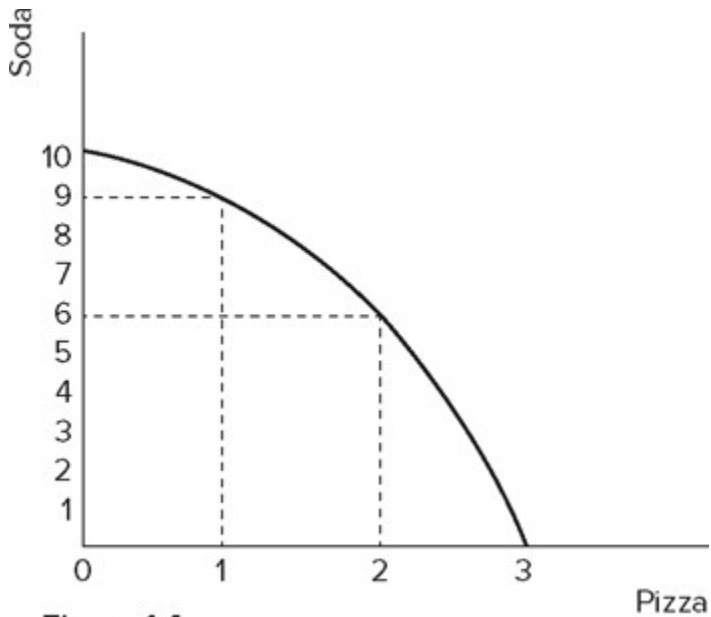


Figure 1.4

possible, but there would be unemployment.

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

impossible because we have the technology but do not have the resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-44 Using Figure 1.4, we know...

Some suggest that when economists claim to be thinking _____, they are _____.

normatively; really thinking positively

positively; deluding themselves

normatively; deluding themselves

negatively; deluding themselves

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Ethics

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-100 Some suggest that when economists...

The statement that Congress passed a tax bill and two months later a recession ended, so the bill must have been good policy is an example of

the fallacy that correlation is the same as causation.

the fallacy of composition.

the fallacy that correlation is the same as causation and the fallacy of composition.

truth in an obvious form.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-105 The statement that Congress passed...

The statement that Congress passed a tax bill and two months later a recession began, so the bill must have been poor policy is an example of

the fallacy that correlation is the same as causation and the fallacy of composition.

the fallacy of composition.

truth in an obvious form.

the fallacy that correlation is the same as causation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

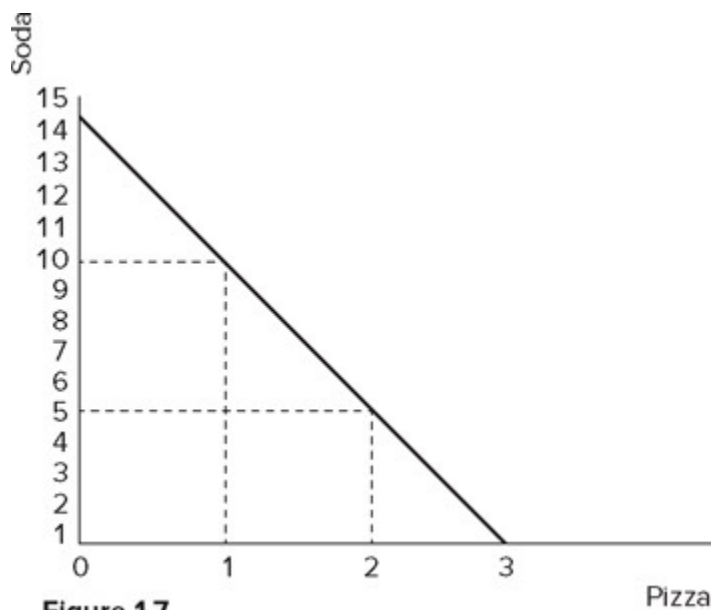
Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-104 The statement that Congress passed...

Using Figure 1.7, we know the production of 10 units of soda and 1 unit of pizza is



possible, but only if all resources were fully employed.

impossible because we have the technology but do not have the resources.

possible, but there would be unemployed resources.

impossible because we have the resources but do not have the technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-69 Using Figure 1.7, we know...

Generalized growth is typically the result of an increase in the ability of resources to produce all goods.

compete with imported goods.

produce exported goods.

produce certain goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-72 Generalized growth is typically the...

In Figure 1.2, of points A, B, C, and D, which are attainable?

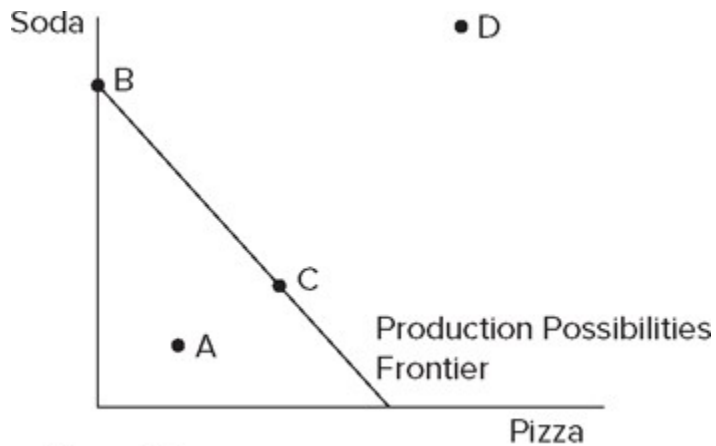


Figure 1.2

Only A is attainable.

Only B and C are attainable.

Only D is attainable.

A, B, and C are attainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-24 In Figure 1.2, of points...

The one word in the definition of economics that focuses on the fact that we have to make choices about who gets what and how much is

resources.

scarcity.

allocation.

study.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-03 The one word in the...

Evaluate the statement that "since a farmer will make more money if they have a bumper crop means that all farmers would make more money if they all had bumper crops." This is an example of

the fallacy of composition.

the fallacy that correlation is the same as causation and the fallacy of composition.

truth in an obvious form.

the fallacy that correlation is the same as causation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-89 Evaluate the statement that "since...

Using Figure 1.6, we know the production of 90 units of soda and 4 units of pizza is

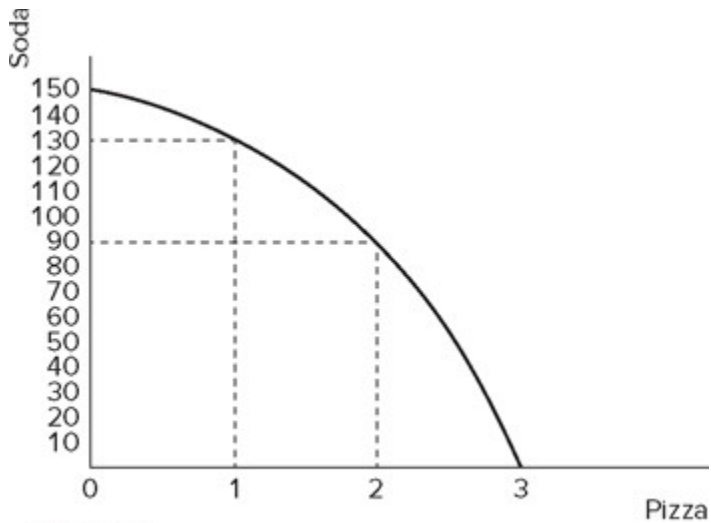


Figure 1.6

impossible because we either do not have the resources or the technology.

possible, but there would be unemployed resources.

possible, but only if all resources were fully employed.

undesirable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-64 Using Figure 1.6, we know...

Using Figure 1.5, we know the production of 3 units of soda and 2 units of pizza is

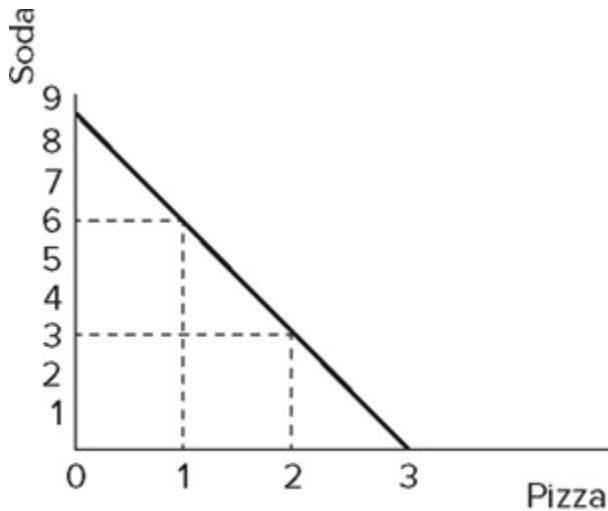


Figure 1.5

impossible because we have the technology but do not have the resources.

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

possible, but there would be unemployed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-53 Using Figure 1.5, we know...

Points inside the production possibilities frontier are

unattainable.

attainable.

both attainable and associated with some unemployment.

associated with some unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-17 Points inside the production possibilities...

In Figure 1.2, of points A, B, C, and D, there are sufficient resources and technology to produce

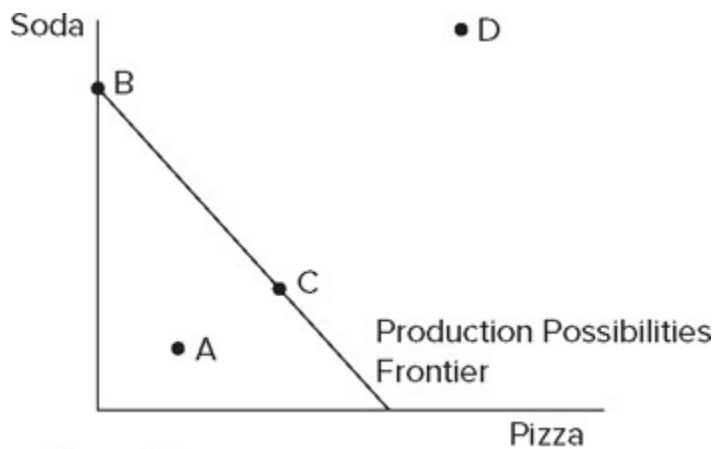


Figure 1.2

only C.

A, B, and C.

only A.

only D.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-27 In Figure 1.2, of points...

Using Figure 1.4, we know the production of 9 units of soda and 3 units of pizza is

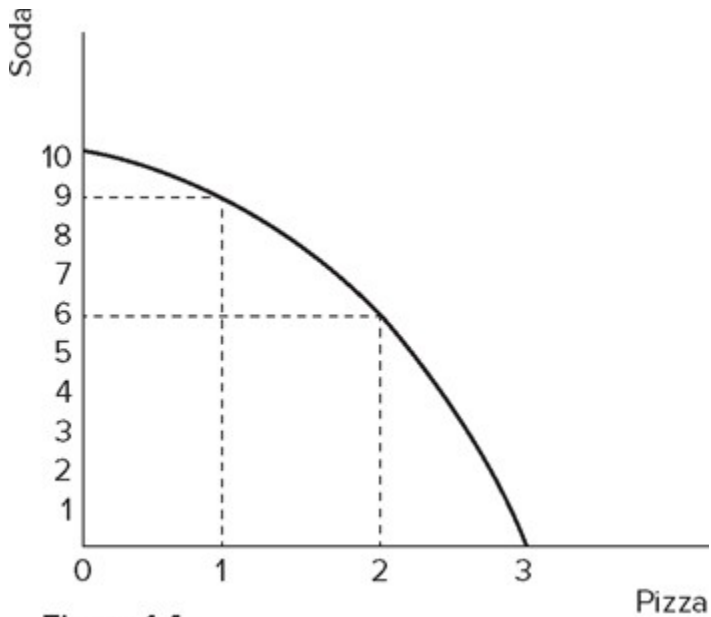


Figure 1.4

possible, but there would be unemployment.

undesirable.

possible, but only if all resources were fully employed.

impossible because we either do not have the resources or the technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-46 Using Figure 1.4, we know...

Many forms of seafood (lobster, crab legs, etc.) are consumed by dipping the meat in melted garlic butter. If someone suggested that it would therefore be equally appealing to drink melted butter after having eaten garlic and unseasoned seafood, you would know they had

fallen victim to the fallacy of composition.

fallen victim to the fallacy that correlation is the same as causation.

mistaken constant opportunity cost for increasing opportunity cost.

mistaken increasing opportunity cost for constant opportunity cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-92 Many forms of seafood (lobster,...

If you concluded from the fact that the last three recessions have occurred while Republicans were President that their fiscal policies create recessions then you would be

right.

wrong because causation and correlation are not the same.

wrong and have fallen victim to the fallacy of composition.

wrong because Democrats are much worse.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-106 If you concluded from the...

In Figure 1.2, of points A, B, C, and D, which represent the existence of unemployment?

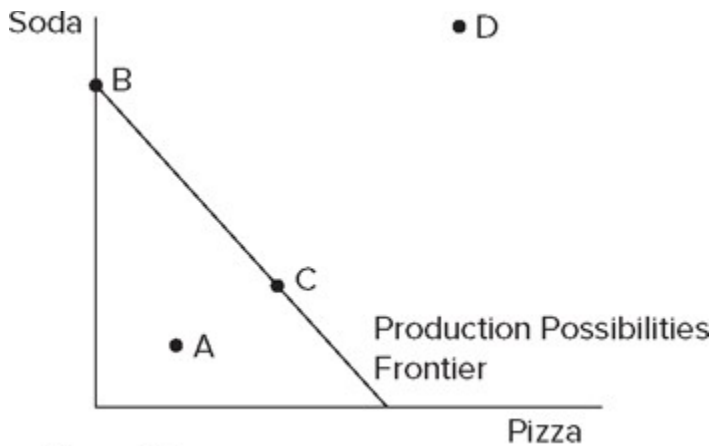


Figure 1.2

Unemployment is present in A, B, and C.

Unemployment is present in B and C only.

Unemployment is present in A only.

Unemployment is present in D only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-26 In Figure 1.2, of points...

When analyzing a problem, if an economist is attempting to understand why something happened without considering whether or not the action was fair or just, the economist is thinking

normatively.

justifiably.

negatively.

positively.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-96 When analyzing a problem, if...

Logging companies are always more profitable if they are able to harvest more (rather than less) lumber in a month. If you concluded from that fact that the logging industry is more profitable if all of the firms in the industry harvest more, then you would be

wrong because firms operate on jealousy.

wrong because causation and correlation are not the same.

right.

wrong and have fallen victim to the fallacy of composition.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-90 Logging companies are always more...

Imagine an economist ordering pizza by the slice. When deciding how many slices to order, they would pick that number where the enjoyment of the _____ equals the enjoyment they could get from using the money on another good.

last slice

average slice

first slice

total number of slices

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-85 Imagine an economist ordering pizza...

If you were to conclude, after carefully examining data and using proper evaluation techniques, that a tax credit for attending college benefits college students from families with low incomes more than a tax deduction (of equal total cost to the government) would, you would have engaged in _____ analysis to reach that conclusion.

positive

creative

contra-indicative

normative

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-95 If you were to conclude,...

Of the three production possibilities frontiers shown in Figure 1.3, opportunity cost exists in

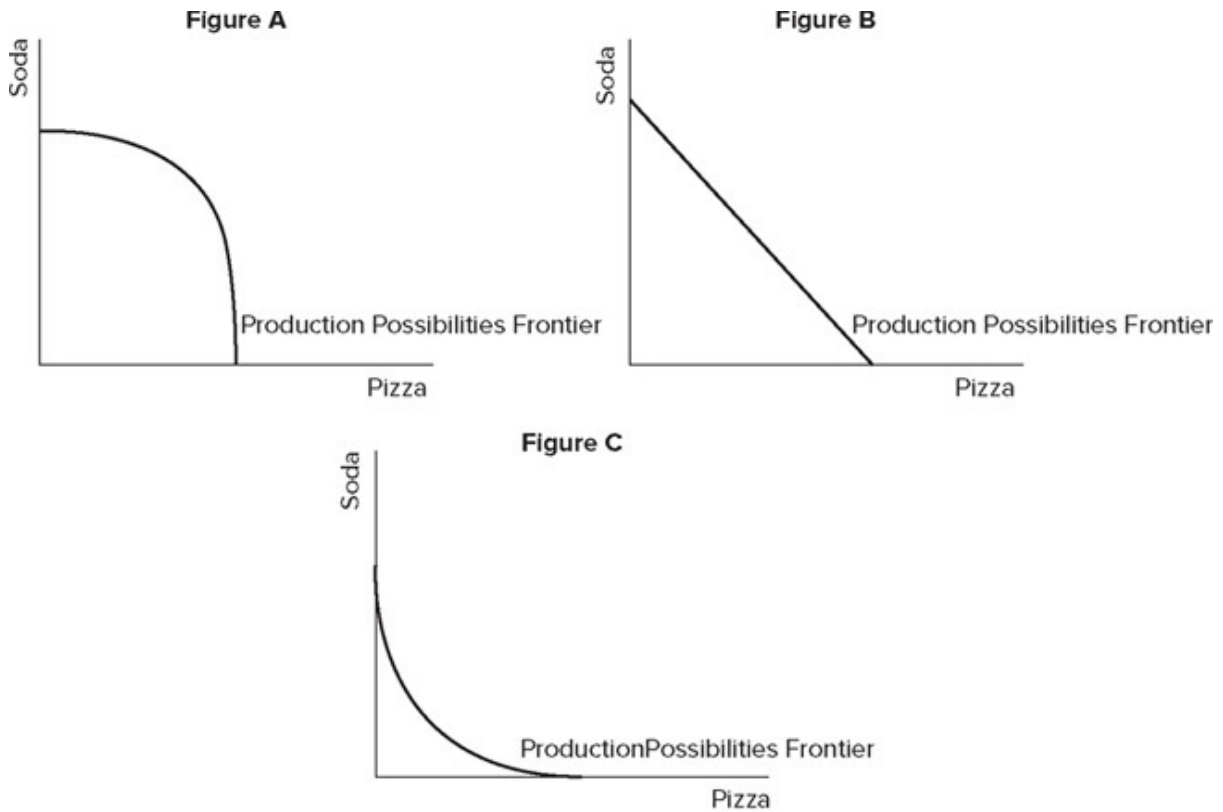


Figure 1.3 A, B and C
all three figures.

Figure C.

Figure B.

Figure A.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-29 Of the three production possibilities...

If the (steadily decreasing) marginal benefit of another day spent in the hospital is larger than the (steadily increasing) marginal cost of an additional day spent in the hospital, the

net benefit from the hospital stay is maximized.

net benefit from the hospital stay must be decreasing.

net benefit from the hospital stay must be positive.

net benefit from the hospital stay must be increasing.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-120 If the (steadily decreasing) marginal...

Of the three production possibilities frontiers shown in Figure 1.3, scarcity exists in

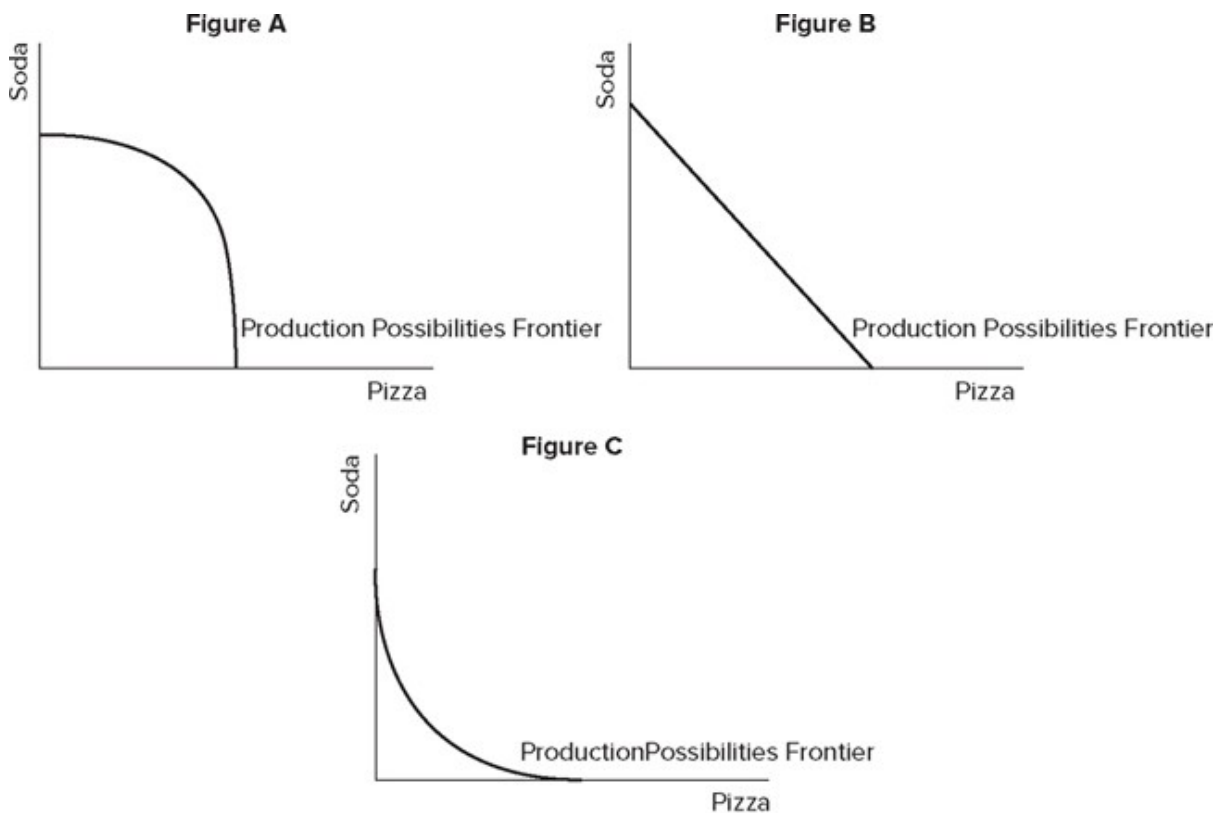


Figure 1.3 A, B and C

Figure A.

Figure C.

Figure B.

all three figures.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-30 Of the three production possibilities...

Points outside the production possibilities frontier are

unattainable.

both attainable and unattainable.

attainable.

associated with some unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-18 Points outside the production possibilities...

If the (steadily increasing) marginal cost of another day spent in the hospital exceeds the (steadily decreasing) marginal benefit of an additional day spent in the hospital, the rational consumer of health care services would be predicted to

regret having ever entered that hospital.

demand a private hospital room.

choose not to stay in the hospital for that additional day.

stay in the hospital for at least that additional day.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-119 If the (steadily increasing) marginal...

Using Figure 1.4, it is the case that

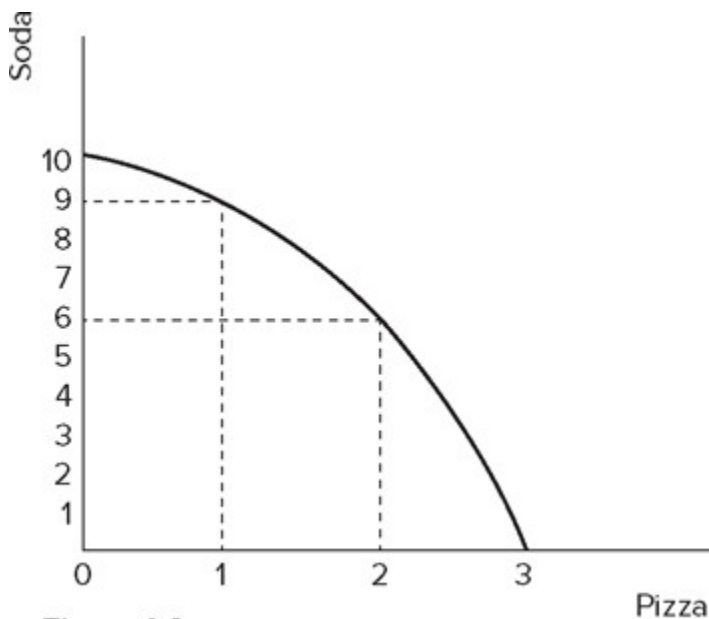


Figure 1.4

there is unemployment.

the technology does not exist to produce 6 units of soda and 2 units of pizza.

there is constant opportunity cost.

the technology does not exist to produce 9 units of soda and 3 units of pizza.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-43 Using Figure 1.4, it is...

Economists focus on "unlimited human wants" rather than _____, to describe our pursuit of goods and services.

output

prices

needs

physical requirements

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-04 Economists focus on "unlimited human...

Referring to the four production possibilities frontiers in Figure 1.11, which pair depict specialized growth?

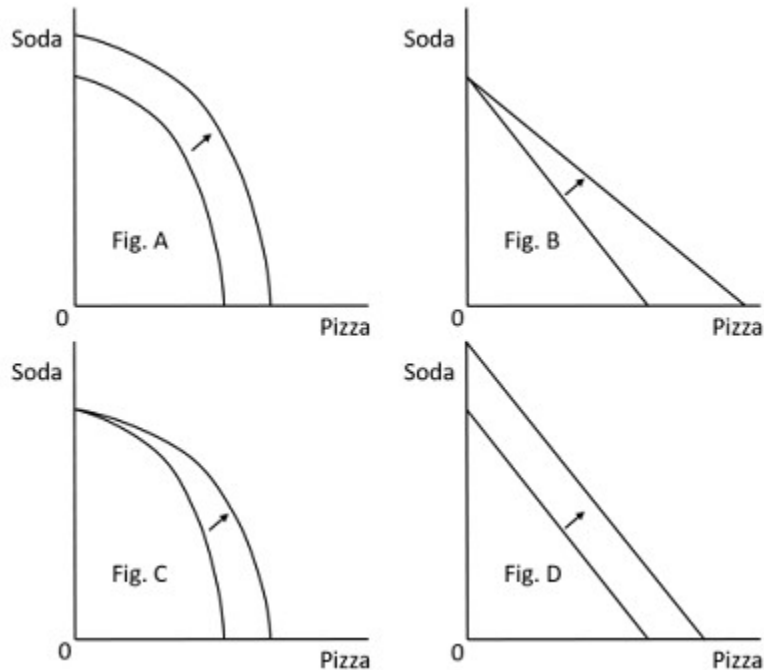


Fig. B and Fig. D

Fig. C and Fig. D

Fig. B and Fig. C

Fig. A and Fig. B

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-84 Referring to the four production...

Of the three production possibilities frontiers shown in Figure 1.3, constant opportunity cost is depicted in

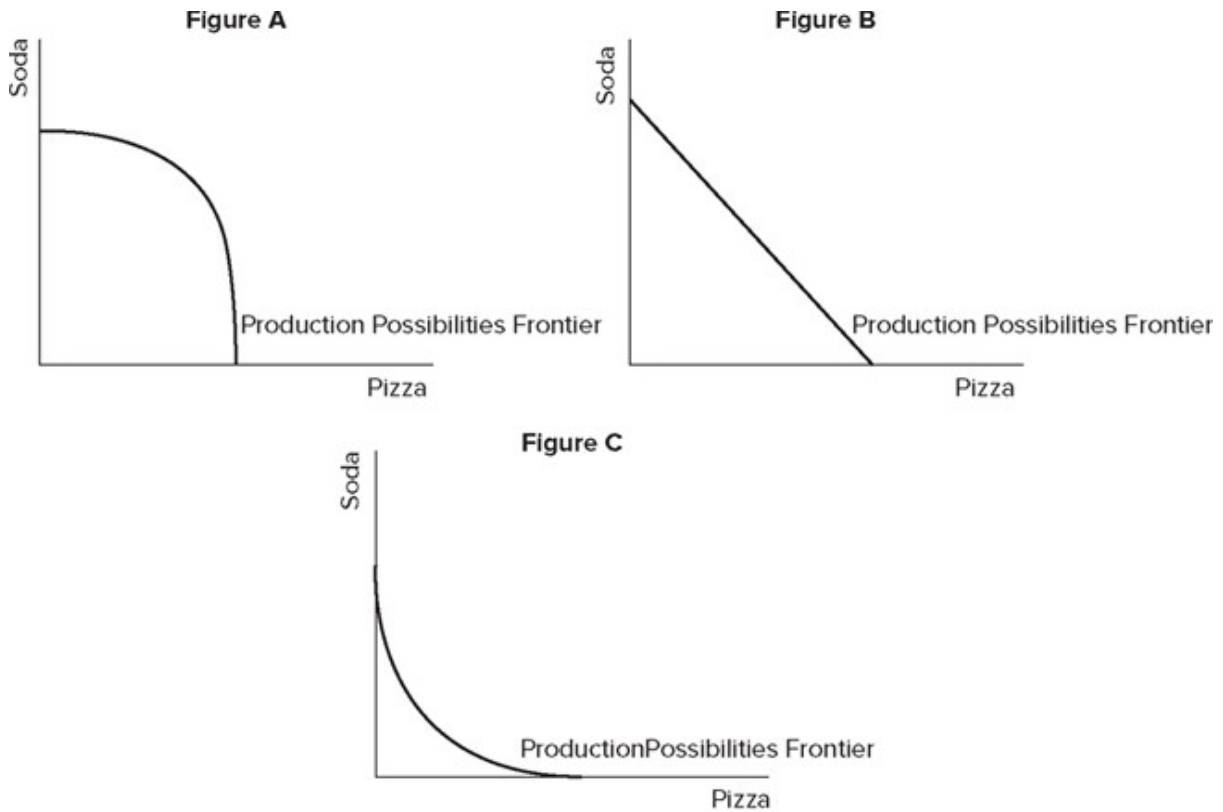


Figure 1.3 A, B and C
all three figures.

Figure C.

Figure A.

Figure B.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-31 Of the three production possibilities...

In Figure 1.1, of points A, B, C, and D, which are unattainable?

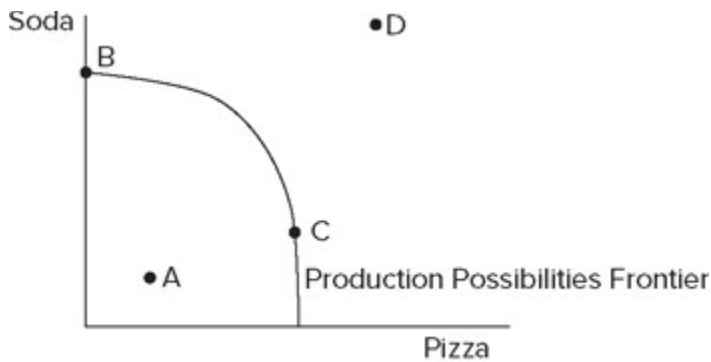


Figure 1.1

Only B and C are unattainable.

Only D is unattainable.

A, B, and C are unattainable.

Only A is unattainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-20 In Figure 1.1, of points...

In Figure 1.2, of points A, B, C, and D, which are unattainable?

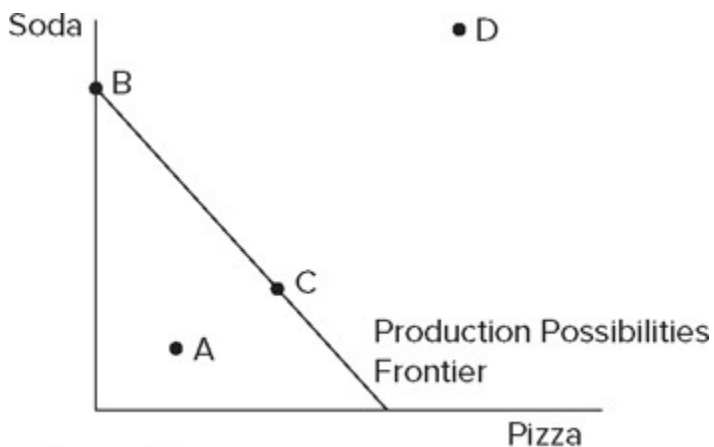


Figure 1.2

A, B, and C are unattainable.

Only D is unattainable.

Only B and C are unattainable.

Only A is unattainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-25 In Figure 1.2, of points...

Referring to Figure 1.5, the opportunity cost of producing the second unit of pizza is

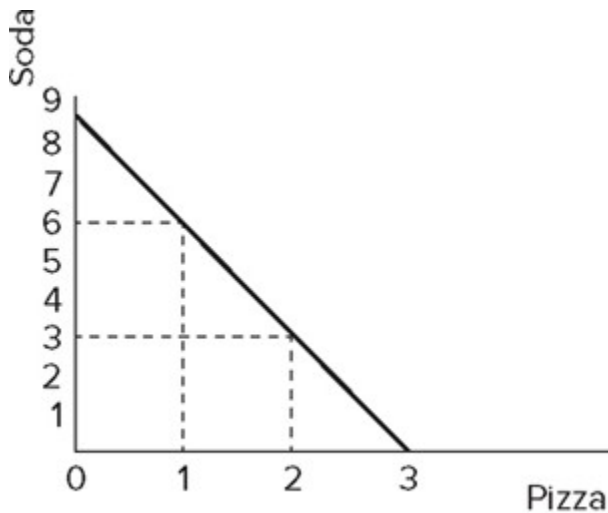


Figure 1.5

three units of soda.

one unit of soda.

zero units of soda.

six units of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

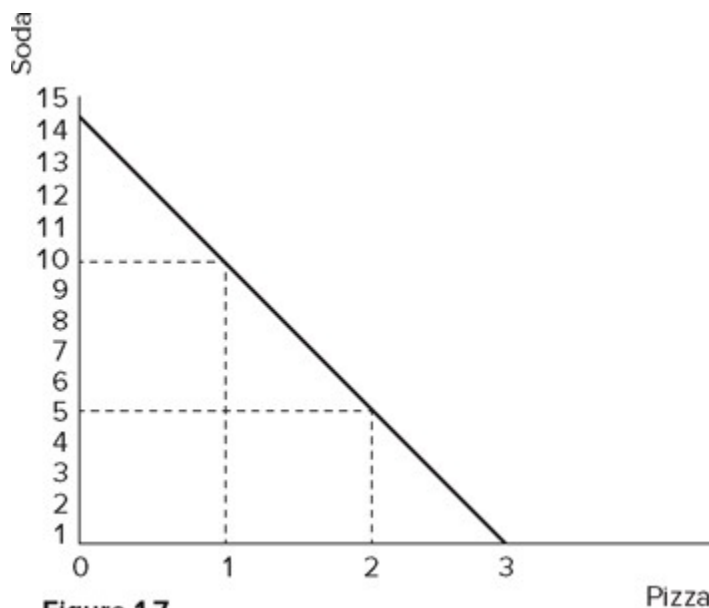
Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-58 Referring to Figure 1.5, the...

Using Figure 1.7, it is the case that



the technology does not exist to produce 10 units of soda and 1 units of pizza.

there is increasing opportunity cost.

the technology does not exist to produce 5 units of soda and 3 units of pizza.

there is unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-67 Using Figure 1.7, it is...

In Figure 1.1, of points A, B, C, and D, there are sufficient resources and technology to produce

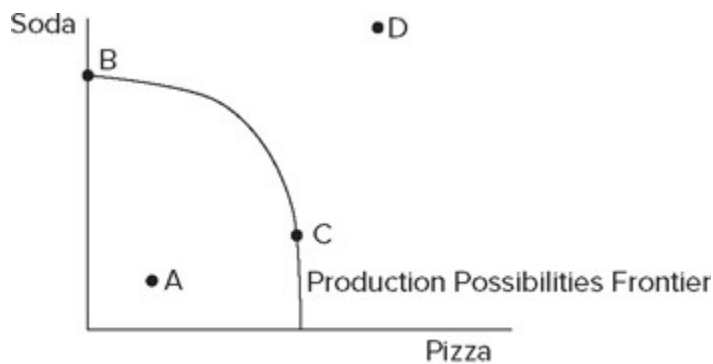


Figure 1.1

only A.

only D.

only B and C.

A, B, and C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-22 In Figure 1.1, of points...

Referring to the four production possibilities frontiers in Figure 1.10, which depicts both specialized growth in soda and constant opportunity cost?

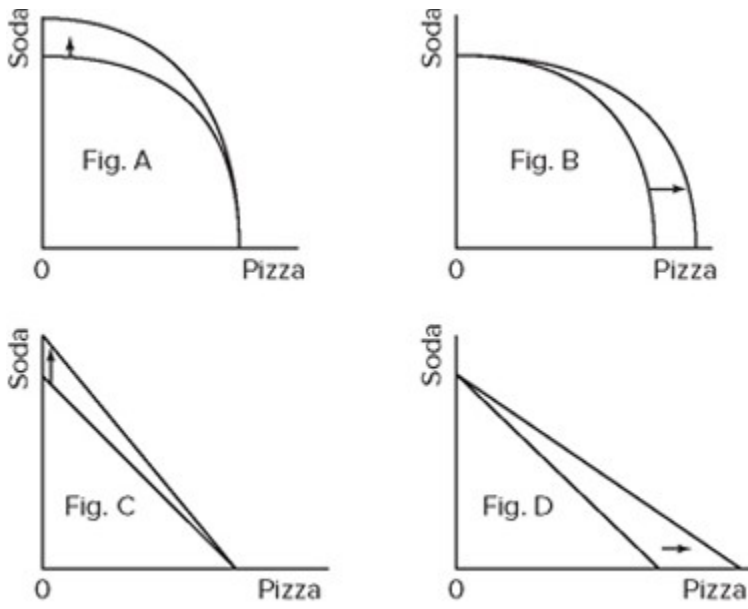


Figure 1.10

Fig. A

Fig. C

Fig. B

Fig. D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-78 Referring to the four production...

When studying opportunity cost, economists insist that society

face trade-offs because it has limited resources.

do not face trade-offs because it has limited resources.

can produce all it wants of everything it wants if people just work harder.

can avoid trade-offs if it simply makes the right decisions.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-40 When studying opportunity cost, economists...

The fact that we are operating at a point inside a bowed out production possibilities frontier indicates there is

increasing opportunity cost.

scarcity.

unemployment.

constant opportunity cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-14 The fact that we are...

Referring to the four production possibilities frontiers in Figure 1.10, which depicts both specialized growth in pizza and increasing opportunity cost?

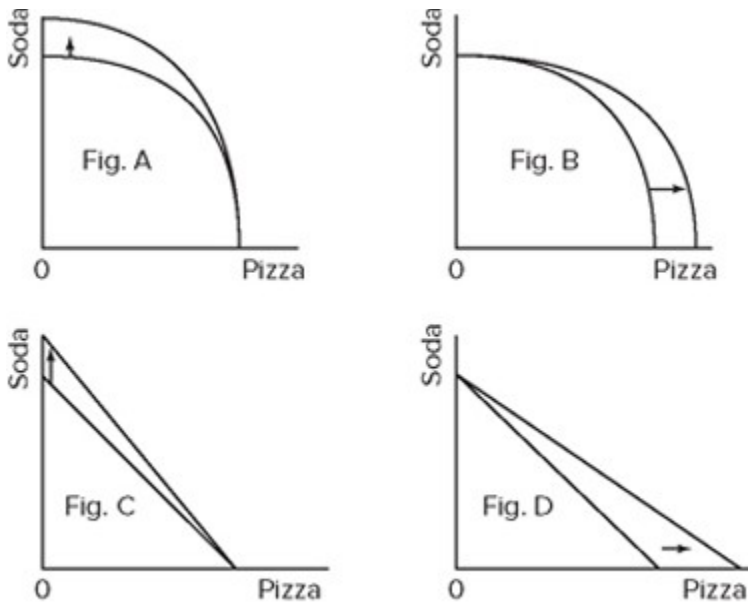


Figure 1.10

Fig. D

Fig. B

Fig. C

Fig. A

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-80 Referring to the four production...

If the production possibilities frontier is not bowed out, but is a line, there is scarcity.

constant opportunity cost.

increasing opportunity cost.

unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-32 If the production possibilities frontier...

The fact that when temperature rises, snow cone sales rise, suggests the two are
inversely correlated.

both directly correlated and inversely correlated.

neither directly correlated nor inversely correlated.

directly correlated.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoiding

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-102 The fact that when temperature...

The fact that we cannot operate at a point outside a production possibilities frontier indicates
there is

constant opportunity cost.

scarcity.

increasing opportunity cost.

unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Modeling Opportunity Cost Using the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-15 The fact that we cannot...

In Figure 1.1, of points A, B, C, and D, which are attainable?

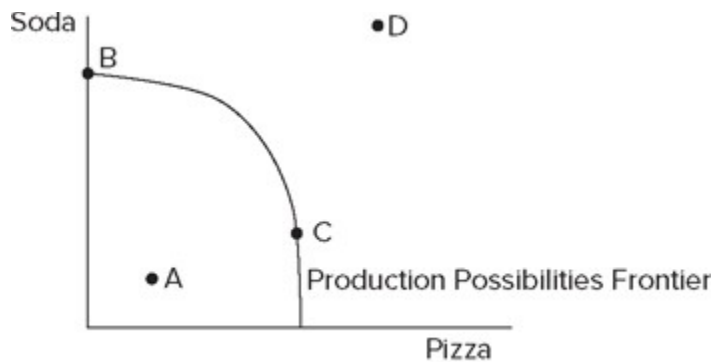


Figure 1.1

Only B and C are attainable.

Only D is attainable.

Only A is attainable.

A, B, and C are attainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-19 In Figure 1.1, of points...

In Figure 1.1, of points A, B, C, and D, there are insufficient resources and technology to produce

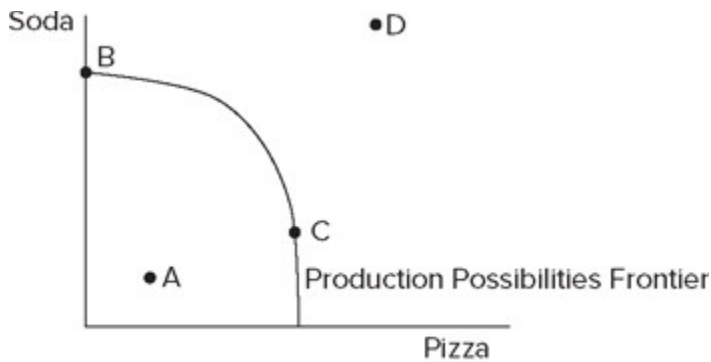


Figure 1.1

only A.

only D.

only B and C.

A, B, and C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-23 In Figure 1.1, of points...

Referring to the four production possibilities frontiers in Figure 1.11, which depicts generalized growth when there is constant opportunity cost?

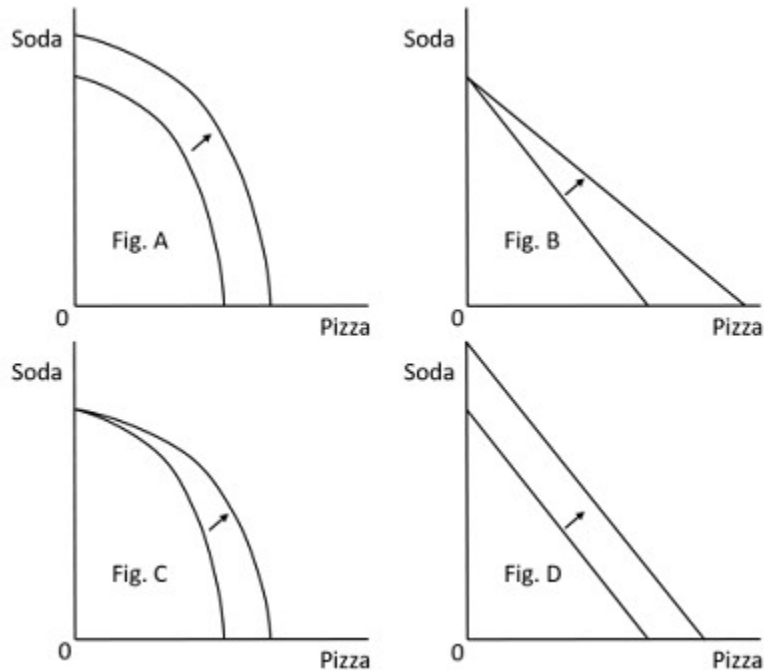


Fig. C

Fig. D

Fig. A

Fig. B

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-82 Referring to the four production...

If the (steadily decreasing) marginal benefit of another day spent in the hospital is equal to the (steadily increasing) marginal cost of an additional day spent in the hospital, the

net benefit from the hospital stay is maximized.

net benefit from the hospital stay must be increasing.

net benefit from the hospital stay must be negative.

net benefit from the hospital stay must be positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-122 If the (steadily decreasing) marginal...

Every worker is better off making more money and having better benefits. If you concluded from that fact that all workers would be better off if a law were passed requiring a 25 percent increase in wages and benefits, then you would be

wrong because causation and correlation are not the same.

right.

wrong because workers operate on jealousy.

wrong and have fallen victim to the fallacy of composition.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-91 Every worker is better off...

A production possibilities frontier models

the choices we make in setting output alternatives.

the choices we make in setting incomes.

the choices we make in setting wages.

the choices we make in setting prices.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Economics and Opportunity Cost

Source : Chapter 01 Test Bank > MC Qu. 01-06 A production possibilities frontier models...

Referring to Figure 1.5, the opportunity cost of producing the third unit of pizza is

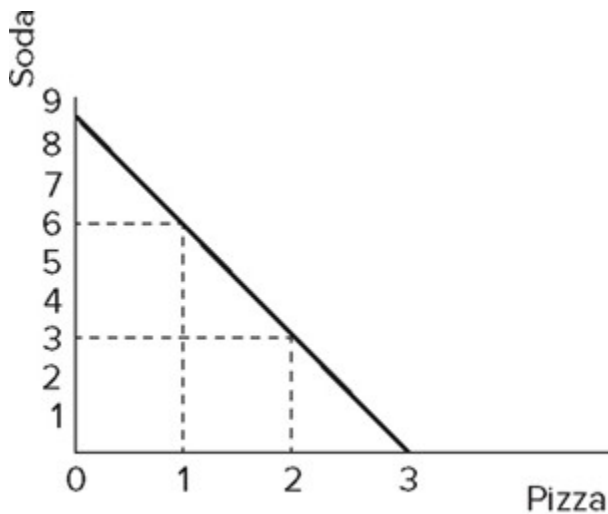


Figure 1.5

zero units of soda.

six units of soda.

three units of soda.

one unit of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-59 Referring to Figure 1.5, the...

Using Figure 1.5, it is the case that

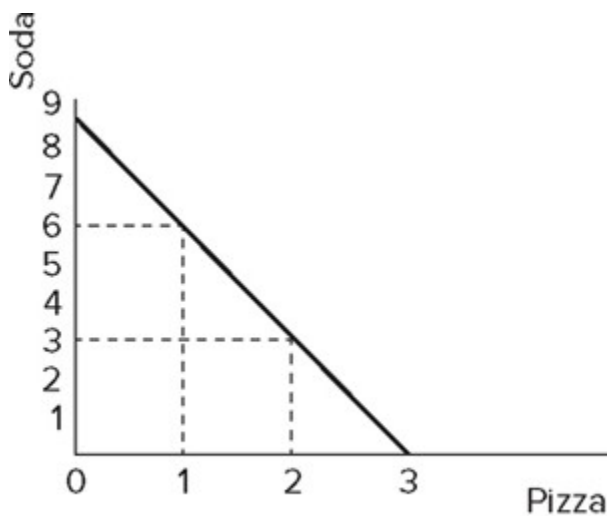


Figure 1.5

the technology does not exist to produce 3 units of soda and 3 units of pizza.

the technology does not exist to produce 4 units of soda and 1 unit of pizza.

there is increasing opportunity cost.

there is unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-52 Using Figure 1.5, it is...

The fact that as snow accumulates, snow shovel sales rise, suggests the two are directly correlated.

both directly correlated and inversely correlated.

inversely correlated.

neither directly correlated nor inversely correlated.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoiding

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-103 The fact that as snow...

Referring to Figure 1.4, the opportunity cost of producing the third unit of pizza is

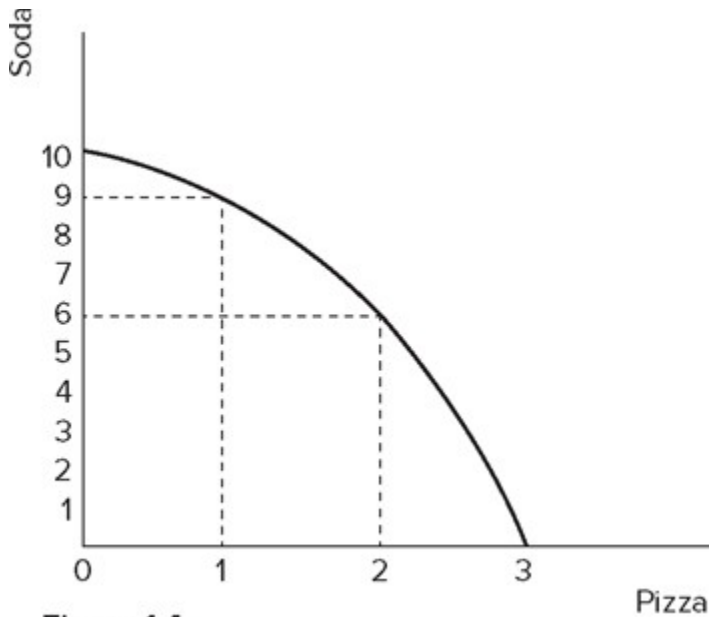


Figure 1.4

three units of soda.

six units of soda.

the same as the opportunity cost of producing the first unit of pizza.

one unit of soda.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-50 Referring to Figure 1.4, the...

When analyzing a problem, if an economist is attempting to understand what caused something to happen without considering whether or not the action was fair or just, the economist is thinking

normatively.

justifiably.

positively.

negatively.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-97 When analyzing a problem, if...

When analyzing a problem, an economist will attempt to

maximize the net benefit of an action, and this occurs where the average benefit equals the average cost.

minimize the total cost of an action.

maximize the total benefit of an action.

maximize the net benefit of an action, and this occurs where the marginal benefit equals the marginal cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : Thinking Economically

Source : Chapter 01 Test Bank > MC Qu. 01-87 When analyzing a problem, an...

Referring to the four production possibilities frontiers in Figure 1.11, which depicts generalized growth when there is increasing opportunity cost?

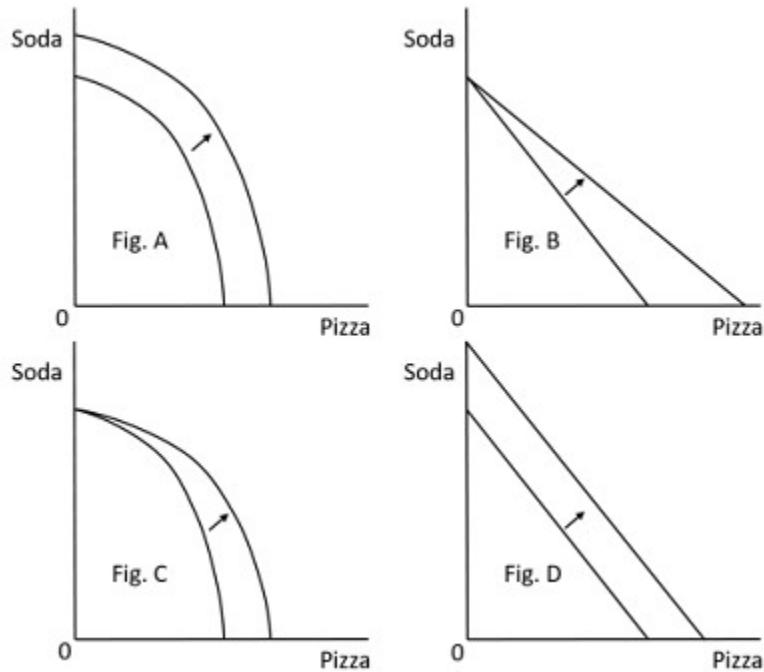


Fig. D

Fig. A

Fig. B

Fig. C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-81 Referring to the four production...

Referring to Figure 1.9, if a point represents unemployment, it is in

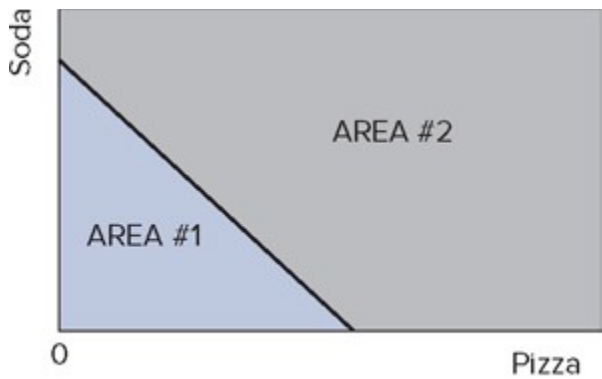


Figure 1.9

AREA #1 or is on the curve.

AREA #2 or is on the curve.

AREA #1 but not on the curve.

AREA #2 but not on the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-39 Referring to Figure 1.9, if...

Buyers and sellers in a factor market might be negotiating an exchange of

labor or financial capital.

goods for use by final consumers.

either goods for use by final consumers or services provided to final consumers.

services provided to final consumers.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Analytical Thinking

Difficulty : 1 Easy

Learning Objective : 01-04 Analyze an argument by thinking economically, while recognizing and avoidi

Topic : The Big Picture

Source : Chapter 01 Test Bank > MC Qu. 01-116 Buyers and sellers in a...

Referring to the four production possibilities frontiers in Figure 1.10, which depicts both specialized growth in pizza and increasing opportunity cost?

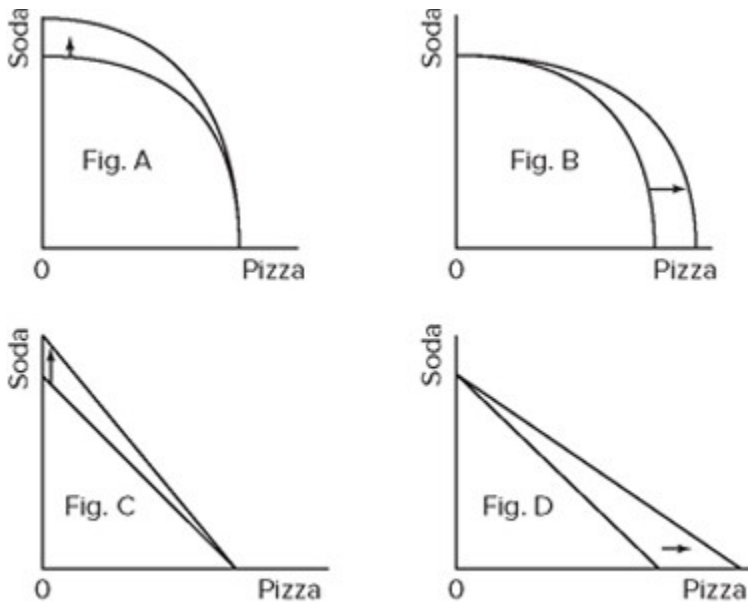


Figure 1.10

Fig. D

Fig. A

Fig. B

Fig. C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-03 Define economic growth and distinguish between specialized and generalized

Topic : Economic Growth

Source : Chapter 01 Test Bank > MC Qu. 01-79 Referring to the four production...

In Figure 1.1, of points A, B, C, and D, which represent the existence of unemployment?

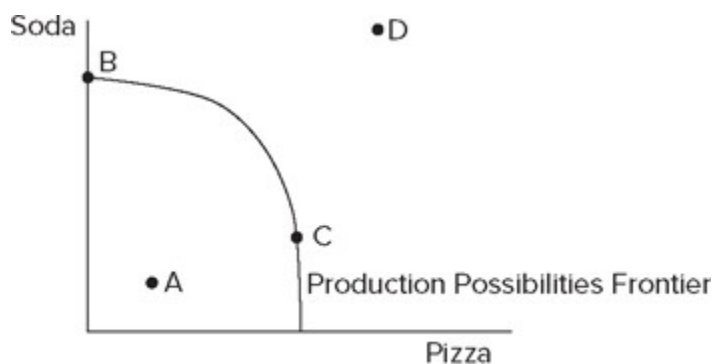


Figure 1.1

Unemployment is present in D only.

Unemployment is present in B and C only.

Unemployment is present in A, B, and C.

Unemployment is present in A only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 2 Medium

Learning Objective : 01-01 Define the key terms of economics and opportunity cost and understand how

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-21 In Figure 1.1, of points...

Using Figure 1.7, we know the production of 5 units of soda and 2 units of pizza is

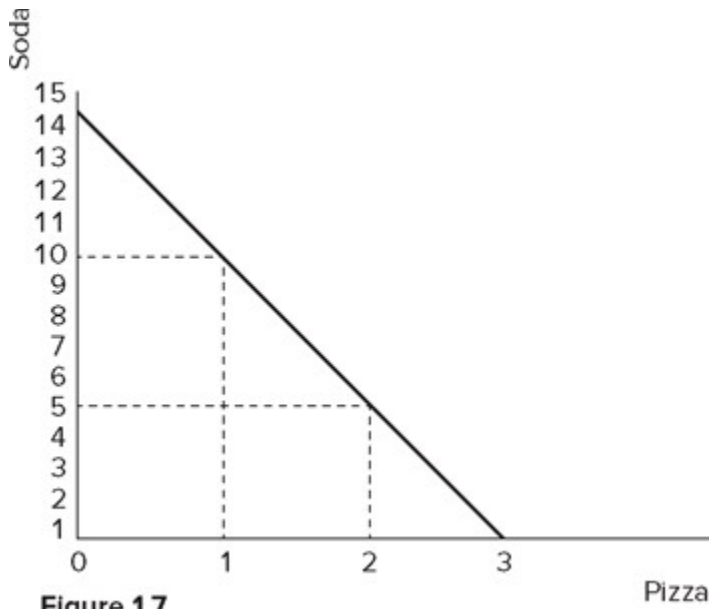


Figure 1.7

possible, but there would be unemployed resources.

possible, but only if all resources were fully employed.

impossible because we have the resources but do not have the technology.

impossible because we have the technology but do not have the resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Evaluate

Business Competency : Analytical Thinking

Difficulty : 3 Hard

Learning Objective : 01-02 Distinguish between increasing and constant opportunity cost and understand

Topic : Attributes of the Production Possibilities Frontier

Source : Chapter 01 Test Bank > MC Qu. 01-68 Using Figure 1.7, we know...

Answer Key

Test name: Ch1_Issues in Economics Today_10e

A

A

B

B

D

C

C

C

A

B

C

B

A

B

B

C

D

B

D

C

D

C

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