

When economists say that people act rationally in their self-interest, they mean that individuals look for and pursue opportunities to increase their utility.

are usually impulsive and unpredictable.

are mainly creatures of habit.

generally disregard the interests of others.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

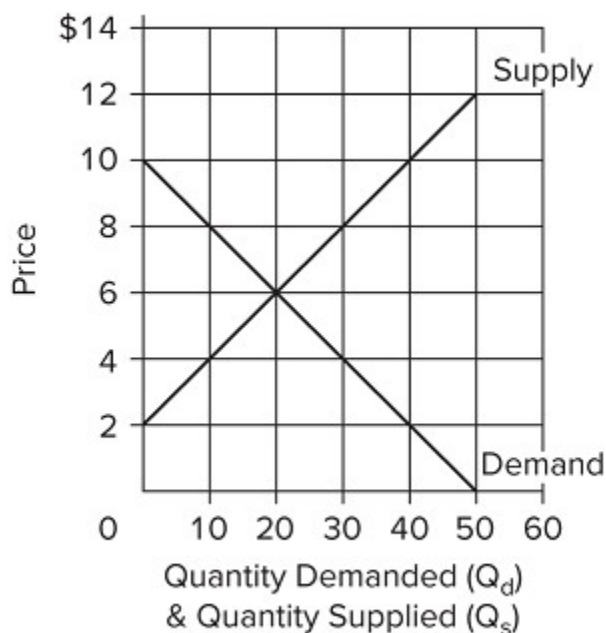
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-04 When economists say that people...



Refer to the graph. Which of the following schedules correctly reflects "Demand"?

(A)		(B)	
P	Qd	P	Qd
\$12	0	\$14	0
10	0	12	0
8	10	10	20
6	20	8	40
4	30	6	60
2	40	4	80
(C)		(D)	
P	Qd	P	Qd
\$14	60	\$12	0
12	50	10	10
10	40	8	20
8	30	6	30
6	20	4	40
4	10	2	50

option A

option D

option C

option B

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

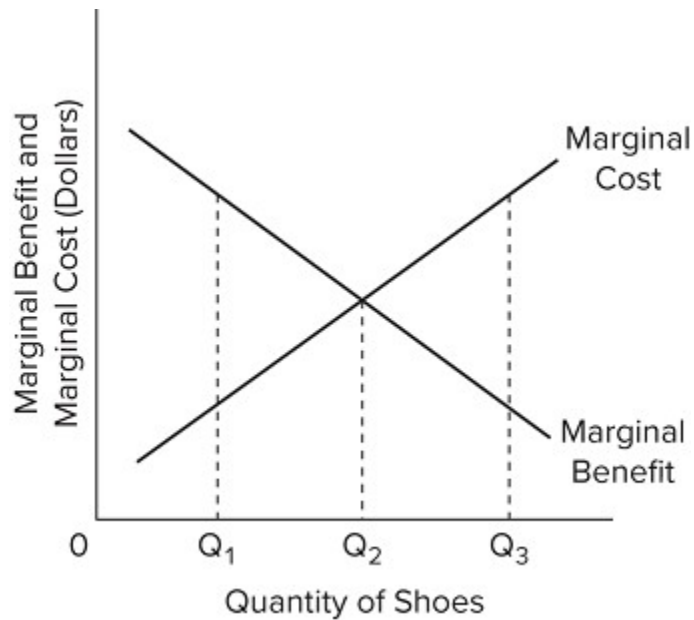
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-493 Refer to the graph....



Refer to the diagram for athletic shoes. Which of the following would change the optimal quantity to Q1?

- a decrease in the marginal cost of athletic shoes
- an increase in the marginal cost of athletic shoes
- Q1 is already the optimal quantity.
- an increase in the marginal benefit of athletic shoes

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-286 Refer to the diagram...

The production possibilities curve has

- a negative slope that is constant as we move along it from left to right.
- a positive slope that increases as we move along it from left to right.

a negative slope that increases (becomes steeper) as we move along it from left to right.

a negative slope that decreases (becomes flatter) as we move along it from left to right.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-248 The production possibilities curve has...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. The vertical intercept is negative for
none of the data sets.

data sets 2 and 4 only.

data sets 1 and 3 only.

data sets 1 and 5 only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-500 Answer the question on the...

A production possibilities curve illustrates

what choices are available to a society.

scarcity.

All of these choices are correct.

opportunity costs

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-201 A production possibilities curve illustrates...

If two variables are inversely related, then as the value of one variable

increases, the value of the other decreases.

increases, the value of the other may either increase or decrease.

increases, the value of the other increases.

decreases, the value of the other decreases.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-475 If two variables are inversely...

Macroeconomics is concerned with the study of the nationwide market for specific goods like oranges.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-447 Macroeconomics is concerned with the...

Because of increasing opportunity costs, the production possibilities curve

is a straight downward-sloping line.

can be either downward- or upward-sloping.

at first rises, then falls eventually.

is bowed out from (or concave to) the origin.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-327 Because of increasing opportunity costs,...

Marginal analysis means that decision makers compare the extra benefits with the extra costs of a specific choice.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-417 Marginal analysis means that decision...

Assume a household would consume \$100 worth of goods and services per week if its weekly income were zero and would spend an additional \$80 per week for each \$100 of additional income. Letting C represent consumption and Y represent income, the equation that summarizes this relationship is

$$C = 100 + 0.8Y.$$

$$C = 80 + 0.1Y.$$

$$C = 80 + 100Y.$$

$$C = 100 + 80Y.$$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-497 Assume a household would consume...

In drawing a particular budget line, money income and the prices of the two products are fixed.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-436 In drawing a particular budget...

Choices entail marginal costs because resources are scarce.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-419 Choices entail marginal costs because...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. For which data set(s) is the vertical intercept zero?

data sets 2 and 3

data set 4

data set 5

data sets 1, 2, 4, and 5

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

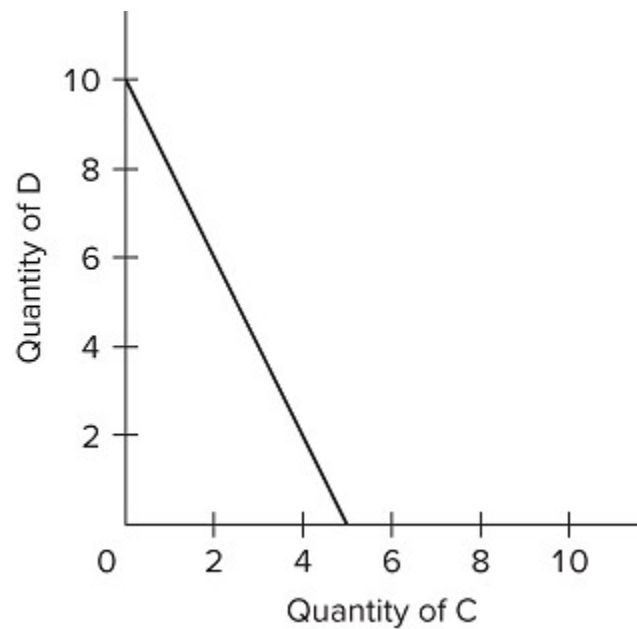
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-502 Answer the question on the...



Refer to the budget line shown in the diagram. If the consumer's money income is \$40, the consumer can obtain a combination of 5 units of both C and D.

price of C is \$8 and the price of D is \$4.

prices of C and D cannot be determined.

price of C is \$5 and the price of D is \$10.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-126 (Algo) Refer to the...

Any point inside the production possibilities curve indicates
the presence of inflationary pressures.
that more output could be produced with the available resources.
that resources are imperfectly substitutable among alternative uses.
the presence of technological change.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-217 Any point inside the production...

What does "there is no such thing as a free lunch" mean in economics?
Sometimes people may take friends out to lunch and pay for them.
Scarce resources are used up to provide "freebies" and giveaways.
All items on the lunch menu have specific prices.
Products only have value because people are willing to pay for them.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-36 What does "there is no...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

The *total* opportunity cost of three unit(s) of tanks is
650 units of autos.

1,000 units of autos.

350 units of autos.

200 units of autos.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-314 A nation can produce two...

Suppose an economist says that "other things equal, the lower the price of bananas, the greater the amount of bananas purchased." This statement indicates that

all factors other than the price of bananas (for example, consumer tastes and incomes) are assumed to be constant.

one cannot generalize about the relationship between the price of bananas and the quantity purchased.

the quantity of bananas purchased determines the price of bananas.

everyone will buy more bananas when the price falls.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-76 Suppose an economist says that...

Define what is meant by an inverse relationship between two variables, and describe the line graph depicting such a relationship.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-590 Define what is meant by...

Which of the following statements is an explanation for the law of increasing opportunity costs?

The economy is achieving productive efficiency by producing goods at the least cost.

In any economy, the state of technology is changing and resources are variable.

Many economic resources are better at producing one product rather than another.

The economy is employing all of its available resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-330 Which of the following statements...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. If the consumer spent all of her budget on just apples or just bananas, how many apples or bananas maximum would she be able to buy?

8 apples or 12 bananas

16 apples or 12 bananas

12 apples or 8 bananas

8 apples or 16 bananas

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-157 (Algo) Assume that a consumer has...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		
Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that Duckistan is producing 14 units of civilian goods and 2 units of military goods, and Herbania is producing 14 units of civilian goods and 2 units of military goods. Then

Herbania is fully employing its resources, but Duckistan is not.

neither Duckistan nor Herbania is fully employing its resources.

both Duckistan and Herbania are fully employing their resources.

Duckistan is fully employing its resources, but Herbania is not.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-229 (Algo) Refer to the tables. Suppose...

The statement in a newspaper that "consumer prices rose last month by 1 percent, and if this trend continues, the annual rate of inflation will be 12 percent for the year" is an example of

a normative economic statement.

rational self-interest.

microeconomic analysis.

a positive economic statement.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-117 The statement in a newspaper...

The basic difference between consumer goods and capital goods is that

consumer goods satisfy wants directly, while capital goods satisfy wants indirectly.

an economy that commits a relatively large proportion of its resources to capital goods must accept a lower growth rate.

the production of capital goods is not subject to the law of increasing opportunity costs.

consumer goods are produced in the private sector and capital goods are produced in the public sector.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

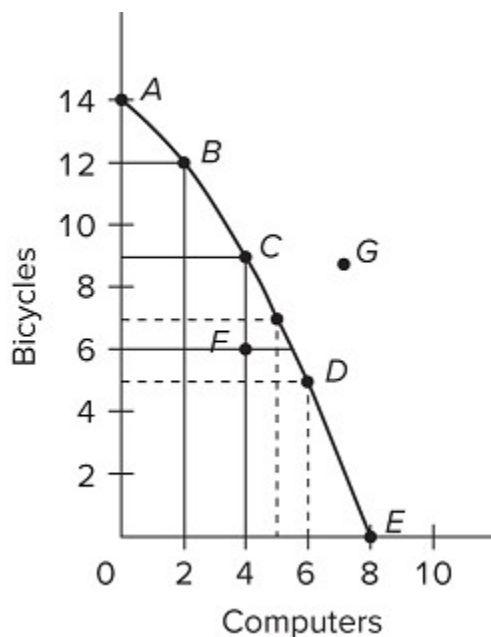
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-350 The basic difference between consumer...



Refer to the diagram. If society is currently producing 5 units of bicycles and 6 units of computers and it now decides to increase computer output to 8, the cost will be zero because unemployed resources are available.

of doing so cannot be determined from the information given.

will be 5 units of bicycles.

will be 2 units of bicycles.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

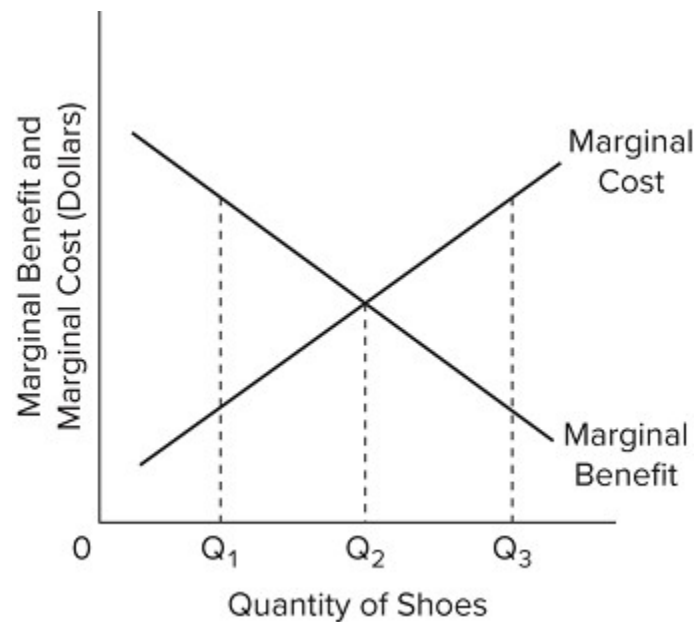
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-262 (Algo) Refer to the...



Refer to the diagram for athletic shoes. Which of the following would change the optimal quantity to Q_3 ?

- an increase in the marginal benefit of athletic shoes.
- an increase in the marginal cost of athletic shoes.
- a decrease in the marginal benefit of athletic shoes.
- Q_3 is already the optimal quantity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-285 Refer to the diagram...

Economists contend that most economic decisions are

random.

irrational.

spontaneous.

purposeful.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-29 Economists contend that most economic...

Economic resources are also called

consumption goods.

free gifts of nature.

units of money capital.

factors of production.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-173 Economic resources are also called...

The issues of inflation, unemployment, and business cycles are

positive economic issues, but not normative issues.

major topics of macroeconomics.

not relevant to the U.S. economy.

the primary focus of microeconomics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-88 The issues of inflation, unemployment,...

Which of the following is a land resource?

natural gas

a farmer

an oil drilling rig

a machine for detecting earthquakes

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-170 Which of the following is...

The law of increasing opportunity costs states that

if society wants to produce more of a particular good, it must sacrifice larger and larger amounts of another good to do so.

the sum of the costs of producing a particular good cannot rise above the current market price of that good.

if the prices of all the resources used to produce goods increase, the cost of producing any particular good will increase at the same rate.

if the sum of the costs of producing a particular good rises by a specified percentage, the price of that good must rise by a greater relative amount.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-272 The law of increasing opportunity...

Marginal analysis is the valuation of insignificant or small benefits from doing things.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-440 Marginal analysis is the valuation...

The economic principle that the "unemployment rate will tend to increase as the economy moves into a recession" is an example of

an assumption.

a normative statement.

loaded terminology.

a generalization.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-64 The economic principle that the...

An increase in immigration would shift the production possibilities curve to the left.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-465 An increase in immigration would...

A point or combination that is on the production possibilities curve is

attainable, and resources are fully employed.

unattainable, but some resources are unemployed.

attainable only if we get additional resources.

attainable, but some resources are unemployed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-319 A point or combination that...

The economizing problem for individuals arises from the conflict between having relatively unlimited time and relatively limited jobs to do.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-452 The economizing problem for individuals...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. If the economy is producing at production alternative C, the opportunity cost of the thirty-seventh unit of consumer goods will be approximately

2 units of capital goods.

$\frac{1}{10}$ of a unit of capital goods.

1 units of capital goods.

$\frac{1}{5}$ of a unit of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-209 Answer the question on the...

Suppose that a nation can only make two products: defense goods and civilian goods. In a graph of the marginal benefit (MB) and marginal cost (MC) of defense goods, a leftward shift of the MB curve will cause the optimal quantity of

defense goods to decrease.

civilian goods to decrease.

defense goods to increase.

both civilian goods and defense goods to decrease.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-343 Suppose that a nation can...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. Which of the following combinations of capital goods and consumer goods represents an efficient use of the economy's scarce resources?

- 56 units of consumer goods and 16 units of capital goods
- 46 units of consumer goods and 14 units of capital goods
- 40 units of consumer goods and 16 units of capital goods
- 30 units of consumer goods and 18 units of capital goods

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-211 (Algo) Answer the question on the...

If economic resources are perfectly interchangeable between the two products shown on a production possibilities graph,

the two products are of equal value to the economy.

the production possibilities curve would be a straight line.

the economy will always be at full employment.

more of one product can be produced without producing less of the other product.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-332 If economic resources are perfectly...

The best output or the optimal production of the nation is
determined by equalizing the marginal benefits and marginal costs of each product.
the production combination where the opportunity costs are minimized.
a combination of products at the midpoint of the production possibilities curve.
a combination of products at either of the two endpoints of the production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

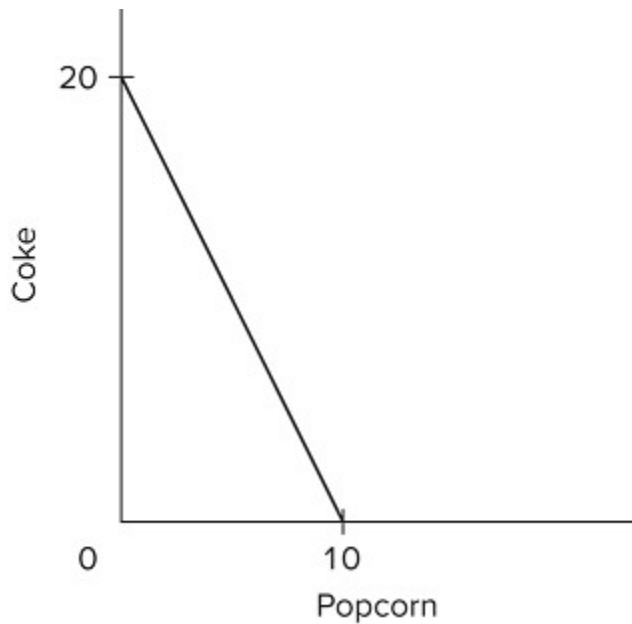
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-333 The best output or the...



Suppose you have a money income of \$10, all of which you spend on Coke and popcorn. In the diagram, the prices of Coke and popcorn, respectively, are \$1.00 and \$0.50.

\$0.50 and \$1.00.

\$1.00 and \$2.00.

\$0.40 and \$0.50.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-137 Suppose you have a...

If the production possibilities curve is a straight line,

equal quantities of the two goods will be produced at each possible point on the curve.

economic resources are perfectly substitutable between the production of the two goods.

the two goods are equally important to consumers.

the two goods will sell at the same market prices.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-199 If the production possibilities curve...

The opportunity cost of constructing a new public highway is the

value of shorter driving times and distances when the new highway is completed.

value of other goods and services that are sacrificed in order to construct the new highway.

money cost of hiring contractors and construction workers for the new highway.

expected cost of constructing the new highway in a future year.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-43 The opportunity cost of constructing...

The slope of a line parallel to the vertical axis is

zero.

one.

infinite.

one-half.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

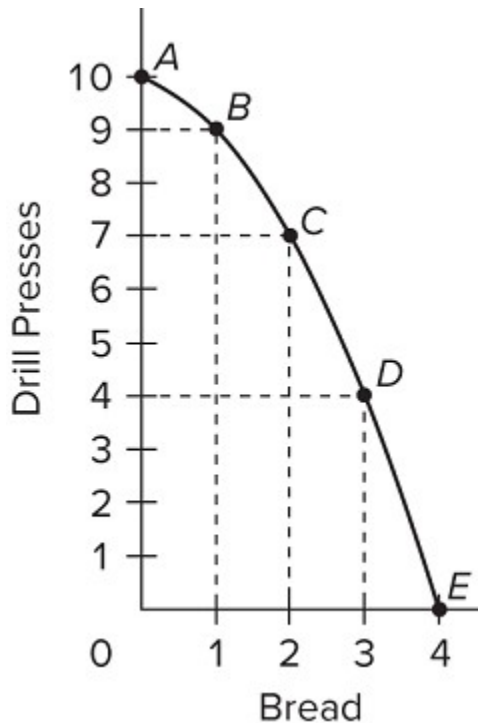
Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-516 The slope of a line...

The following graph is the production possibilities curve of a nation.



Which of the following combinations would be unattainable?

2 drill presses and 3 bread

9 drill presses and 2 bread

7 drill presses and 1 bread

4 drill presses and 1 bread

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Analytical Thinking

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-322 (Algo) The following graph is the...

What four basic functions does the entrepreneur perform for the economy?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : III

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-578 What four basic functions does...

The process by which economists test hypotheses against facts to develop theories, principles, and models is called

the scientific method.

the economic perspective.

policy economics.

microeconomics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-70 The process by which economists...

Consumers might leave a fast-food restaurant without being served because

they are misinformed about the marginal cost and marginal benefits of the food being served.

the environment is not conducive to a rational choice.

the lines waiting for service are not of equal length.

they conclude that the marginal cost (monetary plus time costs) exceeds the marginal benefit.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-55 Consumers might leave a fast-food...

If the equation $y = -10 + 2.5x$ was plotted,

the vertical intercept would be -10 .

the slope would be -7.5 .

the slope would be -10 .

it would graph as a downward-sloping line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-506 If the equation $y = \dots$

If the opportunity cost of producing extra units of one good (expressed in terms of the amount of another good given up) remains constant, then the shape of the production possibilities curve is

a straight horizontal line.

an upward-sloping line.

a vertical line.

a straight downward-sloping line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-329 If the opportunity cost of...

A professional musician writing a new song is engaging in investment.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

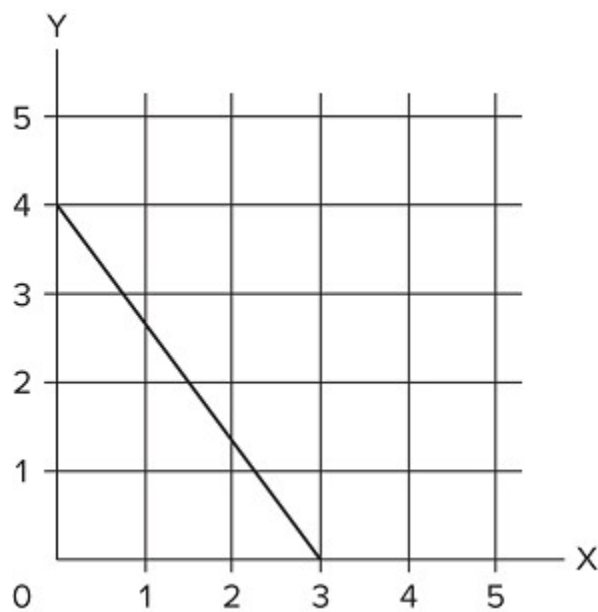
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-428 A professional musician writing a...



In the diagram, the equation for this line is
 $y = 4 + 1\frac{1}{3}x$.

$y = 4 - \frac{3}{4}x$.

$y = 4 - 1\frac{1}{3}x$.

$y = 3 + \frac{3}{4}x$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-510 In the diagram, the...

You should decide to go to a movie

if your income will allow you to buy a ticket.

if the marginal cost of the movie exceeds its marginal benefit.

because movies are enjoyable.

if the marginal benefit of the movie exceeds its marginal cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-19 You should decide to go...

Cuba is a command economy that suffered a decline in economic growth because of a cut in the aid provided by the former Soviet Union when the latter collapsed. As a consequence, Cuba

went to a point inside its production possibilities curve.

experienced an inward shift of its production possibilities curve.

experienced an outward shift of its production possibilities curve.

moved from one point to another along its existing production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-387 Cuba is a command economy...

Which of the following would *not* be considered a capital resource by economists?

a van used by a father to transport his family around

a drug formula owned by a pharmaceutical company

a camera used by a professional photographer

an office computer used by an accountant

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-184 Which of the following would...

Which of the following exemplifies a microeconomic question?

Is the economy experiencing a decline in the rate of inflation?

Is the aggregate output in the economy greater this year than last year?

Will a new type of laptop or tablet increase the number of buyers?

What is the current national rate of unemployment?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-110 Which of the following exemplifies...

The entrepreneur's sole function is to combine other resources (land, labor, and capital) in the production of some good or service.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

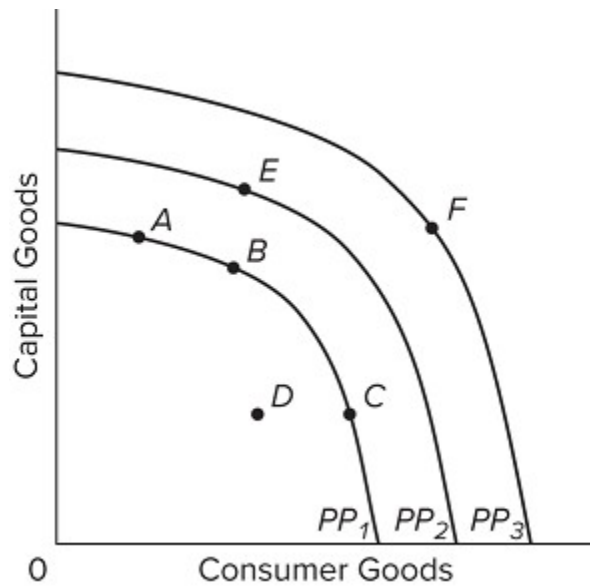
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-422 The entrepreneur's sole function is...



Refer to the diagram. An improvement in technology will shift the production possibilities curve from PP3 to PP1.

move the economy from C to B along PP1.

shift the production possibilities curve from PP1 to PP3.

move the economy from A, B, or C on PP1 to D.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-356 (Algo) Refer to the diagram...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

If the nation uses all of its resources to produce only wheat, then its production combination will be

B.

F.

A.

E.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-302 A nation can produce two...

According to economists, economic self-interest

has the same meaning as selfishness.

is a reality that underlies economic behavior.

is usually self-defeating.

means that people never make wrong decisions.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-09 According to economists, economic self-interest...

The artistic creations of professional singers, writers, and digital artists are capital.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : I

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-423 The artistic creations of professional...

Which of the following is the best example of a microeconomic statement?

Stock market losses are reducing household spending nationwide.

The inflation rate was 8.6 percent in March.

Car prices have increased recently because of a microchip shortage.

Unemployment was 5.2 percent of the labor force last year.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-93 Which of the following is...

Assume that a consumer spends a given budget on only two goods and that the prices of the two goods are constant. The budget line in this case would

possibly be a straight upward-sloping line.

be a curved graph bowed outward.

be a curved bell-shaped graph.

definitely be a straight downward-sloping line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-156 Assume that a consumer spends...

Economics is a social science that studies how individuals, institutions, and society may reduce the amount of goods and services they need.

best use resources to maximize satisfaction of economic wants.

expand the amount of resources available to them.

attain a minimum level of production.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-32 Economics is a social science...

A budget line is a graph that shows the various combinations of two products that a

consumer can buy with a given amount of money income.

household can produce with a given amount of resources.

business firm can produce with a given budget.

nation can trade with another nation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-151 A budget line is a...

Which of the following statements is true?

Microeconomics focuses on specific decision making units of the economy; macroeconomics examines the economy as a whole.

Topics in microeconomics have public policy implications; topics in macroeconomics do not.

Every topic in economics is either a microeconomic or a macroeconomic issue; a topic cannot be both.

Macroeconomics focuses on specific decision making units of the economy; microeconomics examines the economy as a whole.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-95 Which of the following statements...

A country can achieve some combination of goods outside its production possibilities curve by idling some of its resources.

producing more capital goods and fewer consumer goods.

buying the debt (bonds and stocks) of foreign nations.

specializing and engaging in international trade.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-366 A country can achieve some...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. For this economy to produce a total output of 3 units of capital goods and 13 units of consumer goods, it must expand its resources or improve its technology.

achieve the full employment of available resources.

use its resources more efficiently than the data in the table now indicate.

allocate its available resources most efficiently among alternative uses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-207 Answer the question on the...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

A change from combination C to B means that 1 unit of steel is given up to get 15 more units of wheat.

1 unit of steel is given up to get 75 units of wheat.

2 units of steel are given up to get 15 more units of wheat.

2 units of steel are given up to get 75 units of wheat.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-304 A nation can produce two...

Which of the following is the best example of a macroeconomic statement?

The high rate of inflation is reducing household buying power across the country.

Starbucks recently announced an increase in drink prices.

High gas prices are boosting the market for electric cars.

Lockdowns during the pandemic boosted the demand for toilet paper.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-94 Which of the following is...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. If the consumer spent all of her budget on just apples or just bananas, how many apples or bananas maximum would she be able to buy?

8 apples or 12 bananas

8 apples or 16 bananas

12 apples or 8 bananas

16 apples or 12 bananas

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-157 Assume that a consumer has...

A nation can produce two products: tanks and autos. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

In moving from combination B to A, the opportunity cost of producing 50 more autos is 1,950 units of autos.

1 units of tanks.

1 unit of tanks.

950 units of autos.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-313 (Algo) A nation can produce two...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. For this economy to produce a total output of 5 units of capital goods and 50 units of consumer goods, it must

better match the current skills of workers to the available jobs.

change its preferences.

reduce unemployment.

develop better technology or expand the available resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-212 Answer the question on the...

A society can consume a combination of goods outside its production possibilities if there is specialization in production and international trade.

a change in prices of the two products.

lower unemployment and increased capacity utilization.

a change in consumers' tastes or preference for one good over another.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-390 A society can consume a...

Macroeconomics can best be described as the

analysis of how a consumer tries to spend income.

analysis of how firms attempt to maximize their profits.

study of the large aggregates of the economy or the economy as a whole.

study of how supply and demand determine prices in individual markets.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-90 Macroeconomics can best be described...

Economics is the social science concerned with the best use of scarce resources to achieve maximum satisfaction of economic wants.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-438 Economics is the social science...

The phrase "other things equal" means that

a number of relevant variables are assumed to be constant.

many variables affect the variable under consideration.

when variable X increases, so does related variable Y .

the associated statement is normative.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-77 The phrase "other things equal"...

Imagine an ideal scenario where world peace prevails and all nations are led by peace-minded leaders. In such a world, the

MB for defense goods would shift right.

MC for defense goods would shift left.

MC for defense goods would shift right.

MB for defense goods would shift left.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-345 Imagine an ideal scenario where...

Starbucks should continue to add stores in a city

until all remaining competing coffee stores have left the market.

as long as the marginal cost of opening a new location does not fall below the marginal benefit.

as long as the marginal benefit of opening a new location does not fall below the marginal cost.

as long as the gap between marginal benefits and marginal costs is growing.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-400 Starbucks should continue to add...

There are two sets of x, y points on a straight line in a two-variable graph with y on the vertical axis and x on the horizontal axis. What would be the linear equation for the line if one set of points were $(0, 9)$ and the other set were $(13, 61)$?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-592 There are two sets of...

In recent years the economy of Japan has grown, despite the fact that the population of Japan has declined. Which of the following would best explain Japan's economic growth despite having a smaller population?

greater consumption of goods imported from other countries

reduced employment of capital because fewer workers are available to use it

advancements in technology that make labor more productive

immigration of new workers into Japan

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-367 In recent years the economy...

In a graph of the production possibilities curve, the two axes of the graph indicate the quantities of the two products that a nation can produce.

price of the products on the vertical axis, and quantities on the horizontal.

prices of the two products that a nation can produce.

maximum quantities of the two resources that a nation possesses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-317 In a graph of the...

The role of the entrepreneur in society is to

provide capital to the firm, which the management combines with labor.

regulate what products are considered safe to market.

control the land upon which all production takes place and to get the most rent.

bring the factors of production together and take the risks of producing output.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 06-192 The role of the entrepreneur...

Even though local newspapers are very inexpensive, people rarely buy more than one of them each day. This fact

implies that electronic media sources are displacing print sources for many consumers.

contradicts the economic perspective.

is an example of irrational behavior.

implies that, for most people, the marginal benefit of reading a second newspaper is less than the marginal cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-24 Even though local newspapers are...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

- Refer to the table. If East Podunk is producing at production alternative C, the opportunity cost of the fourth unit of capital goods will be
- 9 units of consumer goods.
 - 27 units of consumer goods.
 - 12 units of consumer goods.
 - 15 units of consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-254 Answer the question on the...

The purpose of the *ceteris paribus* assumption used in economic analysis is to

avoid making normative statements.

distinguish macroeconomics from microeconomics.

make sure that all relevant factors are considered.

focus on the effect of a single factor on a certain variable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-84 The purpose of the ceteris...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. For this consumer, the opportunity cost of buying one more apple is

2 bananas.

0.8 of a banana.

1 banana.

0.5 of a banana.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

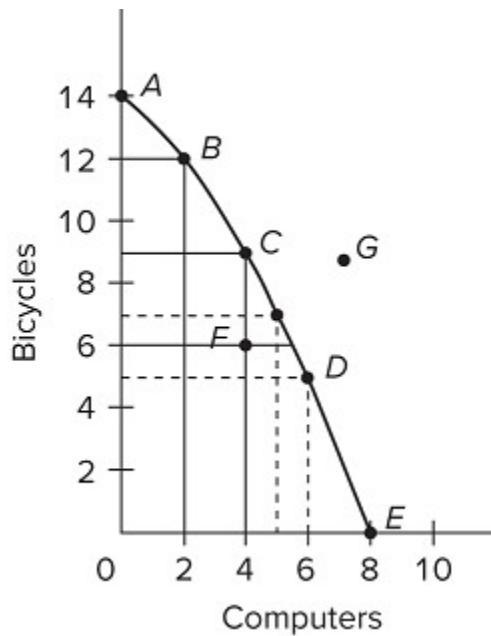
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-160 Assume that a consumer has...



Refer to the diagram. If society is currently producing 9 units of bicycles and 4 units of computers and it now decides to increase computer output to 6, the cost will be 4 units of bicycles.

will be zero because unemployed resources are available.

will be 2 units of bicycles.

of doing so cannot be determined from the information given.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-262 Refer to the diagram....

Oksana enjoys footraces, entering multiple races each year. Her annual budget for entry fees is \$630. The two distances Oksana likes to run are marathons, which cost \$90 each, and 10K races that cost \$45 each. Which combination of races can Oksana afford in a given year that will exactly exhaust her budget for entry fees?

three marathons and nine 10Ks

one marathon and ten 10Ks

six marathons and two 10Ks

four marathons and two 10Ks

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-148 (Algo) Oksana enjoys footraces, entering multiple...

Rational behavior implies that different people faced with similar choices will make the same decisions.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-441 Rational behavior implies that different...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Suppose this two-good economy is operating on its production possibilities curve and the marginal benefit of steel equals the marginal cost of steel at 3 units. What is the optimal quantity of wheat?

55 units of wheat

The optimal quantity of wheat cannot be determined.

90 units of wheat

75 units of wheat

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-309 A nation can produce two...

Any combination of goods lying outside of the budget line

implies that the consumer is not spending all of the consumer's income.

is unattainable, given the consumer's income.

yields less utility than any point inside the budget line.

yields less utility than any point on the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-136 Any combination of goods lying...

A *linear* relationship only refers to one whose graph is either vertical or horizontal.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-557 A linear relationship only refers...

Which of the following terms implies the *greatest* degree of confidence in an economic generalization?

theory

anomaly

hypothesis

comparison

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-67 Which of the following terms...

If an inverse relationship exists between two variables, then

both variables increase over time.

as one variable increases, so does the other.

as one variable increases, the other decreases.

the two variables are close substitutes for each other.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-520 If an inverse relationship exists...

The concept of opportunity cost

is irrelevant if the production possibilities curve is shifting to the right.

suggests that insatiable wants can be fulfilled.

is irrelevant in socialistic economies because of central planning.

suggests that the use of resources in any particular line of production means that alternative outputs must be forgone.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

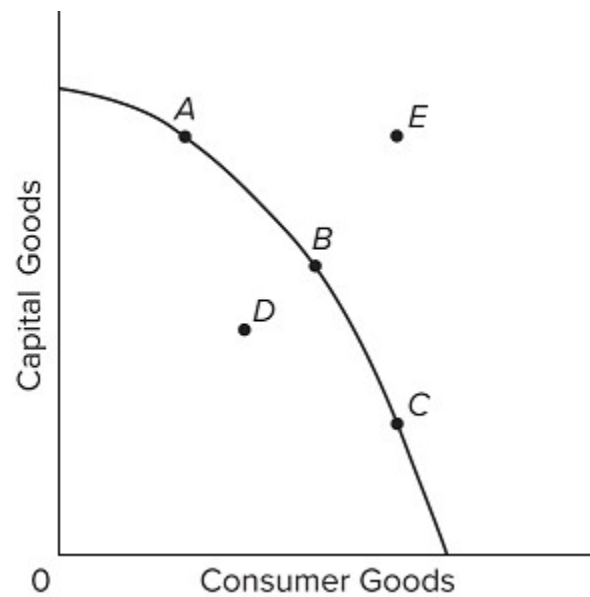
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-273 The concept of opportunity cost...



Refer to the diagram. Which point represents the economy experiencing unemployment?

B

D

C

A

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-220 Refer to the diagram....

If a positive relationship exists between x and y ,
the vertical intercept must be positive.
the relationship will graph as an upward-sloping line.
an increase in x will cause y to decrease.
a decrease in x will cause y to increase.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-476 If a positive relationship exists...

The fact that the slope of the production possibilities curve becomes steeper as we move down along the curve indicates that
resources are perfectly substitutable between alternative uses.
the principle of increasing opportunity costs is relevant.
society's resources are limited.
the opportunity cost of producing each product is constant.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-271 The fact that the slope...

If A decreases, then B will also decrease. The graph relating the two variables A and B is vertical.

downward-sloping.

horizontal.

upward-sloping.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-521 If A decreases, then B...

The notion of "purposeful behavior" in the economic perspective suggests that

people will tend to stick with a particular choice for a long period of time.

economists do not believe that people can sometimes behave impulsively.

economic analysis will provide people with a single "right" way to behave.

one person's choice may differ from another's if their circumstances and information differ.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-40 The notion of "purposeful behavior"...

A nation's production possibilities curve is bowed out from the origin because
resources are not generally equally efficient in producing every good.
opportunity costs of producing a good tend to fall as more of the good is produced.
wants are virtually unlimited.
resources are scarce.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-203 A nation's production possibilities curve...

A production possibilities curve shows
combinations of capital and labor necessary to produce specific levels of output.
that resources are unlimited.
the maximum amounts of two goods that can be produced, assuming the full use of available resources.

that people prefer one of the goods more than the other.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-202 A production possibilities curve shows...

Why do economists use graphs in their work?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-587 Why do economists use graphs...

In a graph with "crop yield" on the vertical axis and "rainfall" on the horizontal axis, the vertical intercept refers to the

steepness or flatness of the graph.

amount of rainfall when "crop yield" is zero.

amount of crop yield when "rainfall" is zero.

total crop yield during a given period of time.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-534 In a graph with "crop...

How will an increase in income affect the budget line for two goods, all other things equal?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : III

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-575 How will an increase in...

What do economists mean when they say that spending on capital goods (investment) is spending on "goods for the future"?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : III

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-582 What do economists mean when...

The production possibilities curve tells us

the combinations of two goods that can be produced with society's available resources.

the specific combination of two products that is most desired by society.

that costs do not change as society varies its output.

that costs are irrelevant in a society that has fixed resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-247 The production possibilities curve tells...

Assume that a consumer has a given budget or income of \$10 and that she can buy only two goods, apples or bananas. The price of an apple is \$2.00 and the price of a banana is \$1.00. For this consumer, the opportunity cost of buying one more apple is

1 banana.

0.5 of a banana.

0.1 of a banana.

2 bananas.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-160 (Algo) Assume that a consumer has...

The resource category called "land" includes forests, animals, and water resources.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-455 The resource category called
"land"...

As a result of the COVID-19 pandemic, a number of new vaccines and medical therapies were developed. Assuming no other effects from the pandemic, how would these new medical technologies affect the U.S. production possibilities curve?

It would move the economy from a point on the curve to a point inside the curve.

It would shift the curve out.

It would have no effect on the curve.

It would shift the curve in.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-341 As a result of the...

If the equation $y = 15 - 4x$ was plotted, the

vertical intercept would be +4.

slope would be -4.

vertical intercept would be -4.

slope would be +15.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

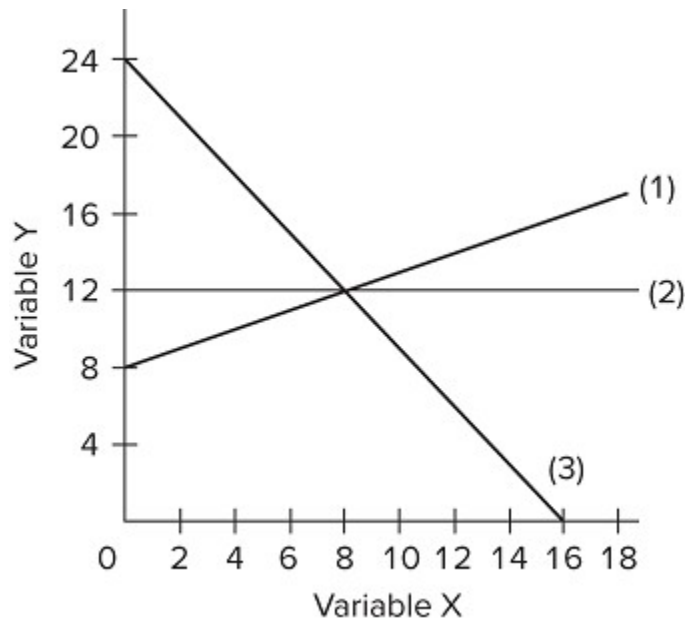
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-505 If the equation $y = \dots$



The linear equation for line (1) on the provided graph is
 $y = 8 - 2x$.

$y = 8 + 2x$.

$x = 8 + 0.5y$.

$y = 8 + 0.5x$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-544 The linear equation for...

Which of the following is an illustration of a microeconomic question?

Does government spending influence interest rates in the economy?

Is the volume of wine produced in one year dependent upon the price of wine?

Which economic system is better for consumers and firms?

Is the purchasing power of the dollar higher or lower today than it was in 2008?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

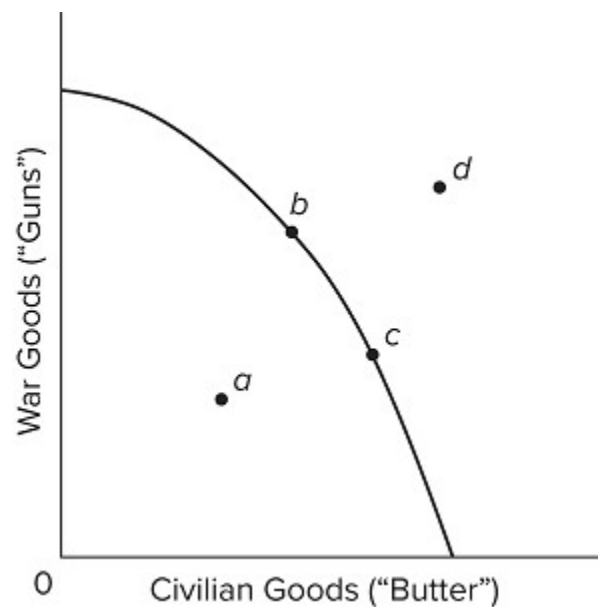
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-113 Which of the following is...



Refer to the production possibilities curve. At the onset of the Second World War, the United States had large amounts of idle human and property resources. Its economic adjustment from peacetime to wartime can best be described by the movement from point

b to point c.

c to point b.

a to point b.

c to point d.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

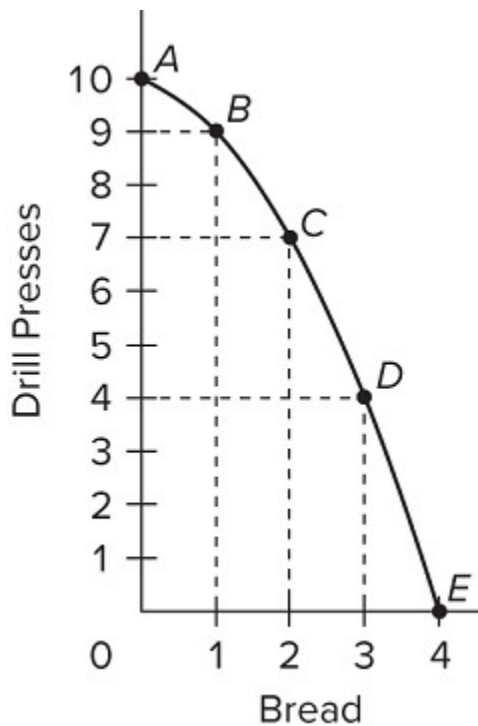
Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-239 Refer to the production...

The following graph is the production possibilities curve of a nation.



The marginal opportunity cost of the first unit of bread is 9 units of drill presses.

7 units of drill presses.

4 units of drill presses.

1 unit of drill presses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-324 (Algo) The following graph is the...

The individual who brings together economic resources and assumes the risk of business ventures in a capitalist economy is called the

entrepreneur.

banker.

stockbroker.

manager.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-183 The individual who brings together...

Distinguish between microeconomics and macroeconomics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

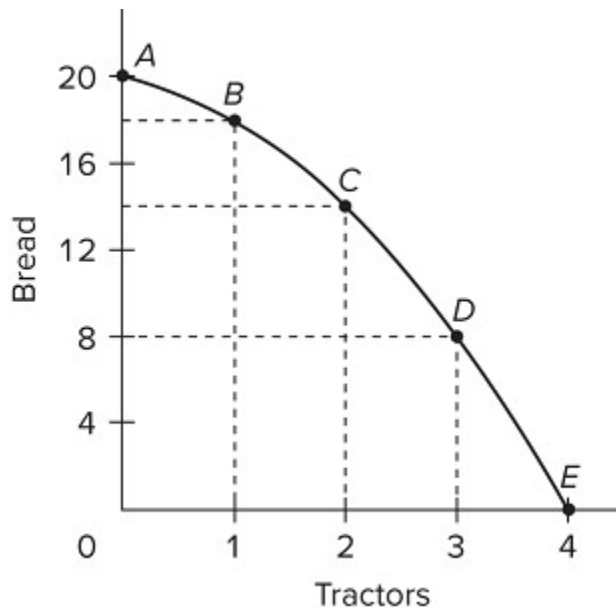
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : III

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-572 Distinguish between microeconomics and macroeconomics....



Refer to the diagram. If the economy is currently at point C, what is the opportunity cost of a third unit of tractors?

The opportunity cost of the third unit of tractors cannot be determined.

6 units of bread

8 units of bread

12 units of bread

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-237 Refer to the diagram....

A movement from one point to another along the production possibilities curve would imply that society is producing a different combination of outputs.

the labor force available to society has grown.

productivity has increased over time.

productivity has declined over time.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-325 A movement from one point...

Which situation would most likely cause a nation's production possibilities curve to shift inward?

an increase in the number of skilled immigrant workers

an increase in unemployment

an increase in the amount of imports

the destruction caused by bombing and warfare in a losing military conflict

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

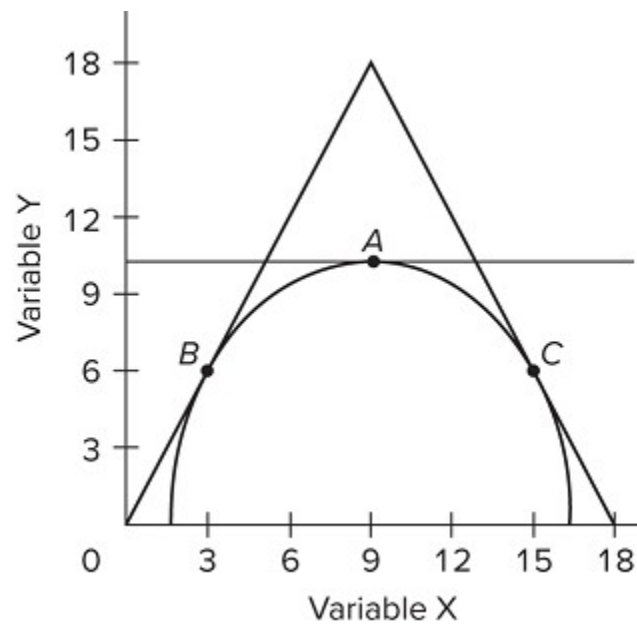
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-388 Which situation would most likely...



- Refer to the provided graph. The slope of the line tangent to the curve at point B is
- 6.
 - 0.5.
 - 2.0.
 - 3.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-550 Refer to the provided...

A nation can produce two products: tanks and autos. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

- The *total* opportunity cost of two unit(s) of tanks is
- 150 units of autos.
 - 100 units of autos.
 - 200 units of autos.
 - 850 units of autos.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-314 (Algo) A nation can produce two...

(Consider This) What is a major opportunity cost of going to college on a full-time basis?

the forgone income that would have been earned working in a full-time job

the cost of transportation to college instead of to a job

the greater income that will be earned from having a college degree

the cost of living expenses (room and board) to attend college

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-397 (Consider This) What is a...

In a relationship between two variables, the "independent variable" refers to the

one measured on the vertical axis, in the convention of mathematics.

effect or outcome.

cause or source variable.

one whose value is assumed constant.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-522 In a relationship between two...

Microeconomics is concerned with

a detailed examination of specific economic units that make up the economic system.

positive economics, but not normative economics.

establishing an overall view of the operation of the economic system.

the aggregate or total levels of income, employment, and output.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-91 Microeconomics is concerned with...

If two variables are *directly* related, the relationship will have a graph that

may either be upward-sloping or downward-sloping.

is a straight line.

is an upward-sloping line.

is horizontal.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-519 If two variables are directly...

Suppose that Scoobania, which has full employment, can obtain 1 unit of capital goods by sacrificing 2 units of consumer goods domestically but can obtain 1 unit of capital goods from another country by trading 1 unit of consumer goods for it. This reality illustrates

a rightward (outward) shift of the production possibilities curve.

productive efficiency.

increasing opportunity costs.

achieving points beyond the production possibilities curve through international specialization and trade.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

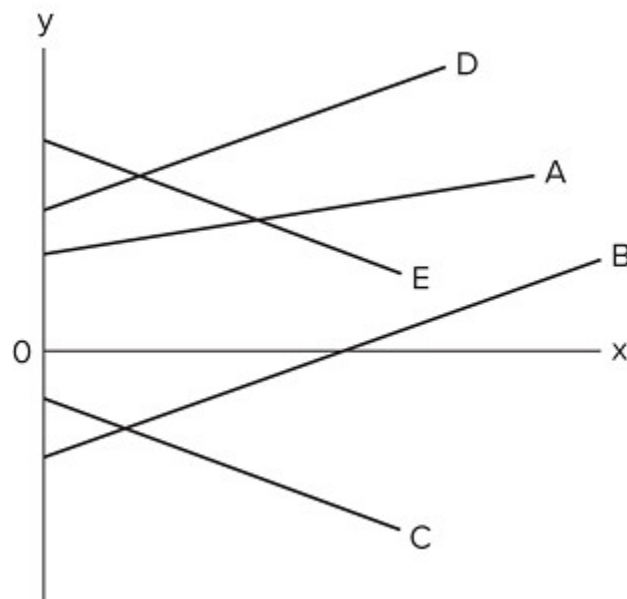
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-362 Suppose that Scoobania, which has...



Refer to the diagram. Which line(s) show(s) a negative vertical intercept?
both B and C

B, C, and E

C only

both C and E

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-474 Refer to the diagram....

The slope of a graph relating two variables is -5 . This indicates that as one variable decreases, the other variable also decreases.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-561 The slope of a graph...

The quantity of face masks produced should be

increased if total benefits exceed total costs.

reduced if marginal benefits exceed marginal costs.

increased if marginal costs exceed marginal benefits.

increased if marginal benefits exceed marginal costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-281 The quantity of face masks...

Answer the question on the basis of the following production possibilities tables for two countries, North Cantina and South Cantina.

North Cantina Production Possibilities						
	A	B	C	D	E	F
Capital Goods		4	3	2	1	0
Consumer Goods		1 0	1 8	2 4	2 8	3 0
South Cantina Production Possibilities						
	A	B	C	D	E	F
Capital Goods			3	2	1	0
Consumer Goods			1 5	2 1	2 5	2 7

Refer to the tables. If North Cantina is producing at production alternative C, the opportunity cost of the nineteenth unit of consumer goods will be

1/3 of a unit of capital goods.

1/6 of a unit of capital goods.

6 units of capital goods.

3 units of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-250 (Algo) Answer the question on the...

(Consider This) An exception to the advice "go to college, stay in college, and earn a degree" occurs when

the opportunity cost of attending college is extraordinarily high.

the economy is growing rapidly and jobs are plentiful.

the price of textbooks is high and rising.

tuition expenses are high and rising.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-395 (Consider This) An exception to...

The fundamental economic problem faced by a society is that productive resources are so varied and versatile that it is hard to decide what to do with them.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-454 The fundamental economic problem faced...

Rosa works at a gelato shop and observes that the number of people buying gelato varies greatly from day to day. For a couple of weeks, she has recorded the number of people at the shop each day, as well as the daily temperature, and has observed a positive relationship between temperature and the number of customers. Based on her observations, Rosa should

continue to gather data on the number of visitors and daily temperatures, because eventually other relevant variables will not matter.

throw out the data if it does not show a perfect relationship between buying habits and temperature.

determine if there are other relevant factors and attempt to hold these constant before drawing conclusions.

conclude definitively that people buy more gelato when the temperature rises.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-79 Rosa works at a gelato...

The main function of the entrepreneur is to

make routine pricing decisions.

innovate.

purchase capital.

create market demand.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-175 The main function of the...

Suppose that a consumer purchases just two goods, X and Y. The Y-intercept of the budget line in this case would indicate the

maximum dollar amount of budget that the consumer has for good Y.

maximum quantity of good Y that the consumer could buy with a given budget.

price that the consumer has to pay for each unit of good Y.

quantity of good Y that the consumer would want to buy.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, opportunity costs, and the production possibilities frontier

Test Bank : II

Topic : Individual's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-153 Suppose that a consumer purchases...

In the graph for the linear equation $S = 15 - 5T$, with T on the horizontal axis, the vertical intercept of the graph is -5 .

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-562 In the graph for the...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

The *marginal* opportunity cost of the third unit of steel is
20 units of wheat.

55 units of wheat.

25 units of wheat.

18.3 units of wheat.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-305 A nation can produce two...

Which of the following do economists consider to be capital?

a share of IBM stock

a construction crane

a savings account

a pair of stockings

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : I

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-174 Which of the following do...

Scarcity

has been eliminated in affluent societies such as the United States and Canada.

persists because economic wants exceed available resources.

persists only because countries have failed to achieve continuous full employment.

has been solved in all industrialized nations.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-123 Scarcity...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. If the consumer decides to buy 4 apples, how many bananas can she also buy with the remainder of her budget, assuming she exhausts her income?

6 bananas

10 bananas

4 bananas

8 bananas

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 02 Medium

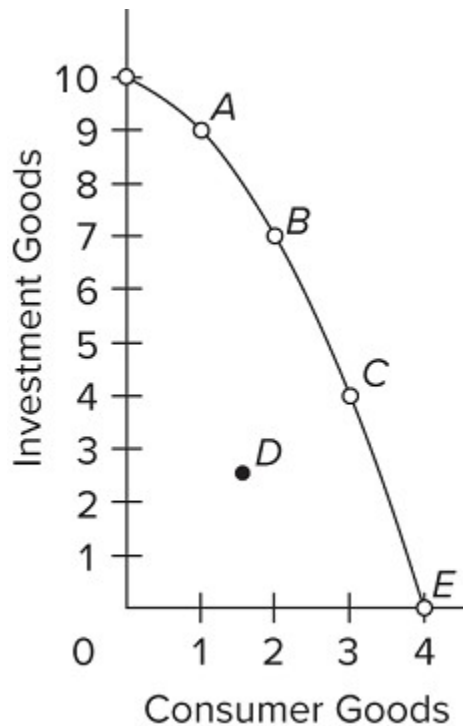
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-159 Assume that a consumer has...



Refer to the provided graph. Which point in the graph would allow a simultaneous increase in the production of both investment and consumer goods?

- A
- D
- B
- C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-381 Refer to the provided...

If economic resources were perfectly adaptable to alternative uses, then there would be constant opportunity costs along the production possibilities curve.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-460 If economic resources were perfectly...

Mia wants to buy a book. The economic perspective suggests that Mia will buy the book if

the marginal benefit of the book is greater than its marginal cost.

she has enough money to pay for the marginal cost of the book.

the marginal benefit of the book is a positive value.

the marginal cost of the book is greater than its marginal benefit.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-48 Mia wants to buy a...

The economizing problem is

that people's means often exceed their wants.

that people do not know how to rationally allocate resources.

how to distribute resources equally among all members of society.

the need to make choices because economic wants exceed economic means.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-121 The economizing problem is...

A reduction in the unemployment rate will cause the nation's production possibilities curve to shift outward.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-464 A reduction in the unemployment...

Which of the following is an illustration of a macroeconomic question?

How will the government's budget deficit be affected by public infrastructure projects?

Is a consumer boycott an effective means of reducing a product's price?

Are oil companies ripping off consumers by charging exorbitantly high prices for gasoline?

Is a corporation unresponsive to the demands of its customers?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-114 Which of the following is...

According to Emerson: "Want is a growing giant whom the coat of Have was never large enough to cover." According to economists, "Want" exceeds "Have" because

people are irrational.

people are greedy.

human beings are inherently insecure.

productive resources are limited.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-05 According to Emerson: "Want is...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. The equation for data set 3 is

$$P = 90 - 0.5N.$$

$$P = 0.5N.$$

$$P = 90 + 0.5N.$$

$$P = 40 + 0.5N.$$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-501 Answer the question on the...

Which of the following is assumed in constructing a typical production possibilities curve?

Production technology is fixed.

The economy is engaging in international trade.

Resources are perfectly shiftable among alternative uses.

The economy is using its resources inefficiently.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-221 Which of the following is...

Which of the following is the best example of a macroeconomic topic?

Starbucks coffee prices

A local labor strike

Unemployment

Textbook sales

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Difficulty : 02 Medium

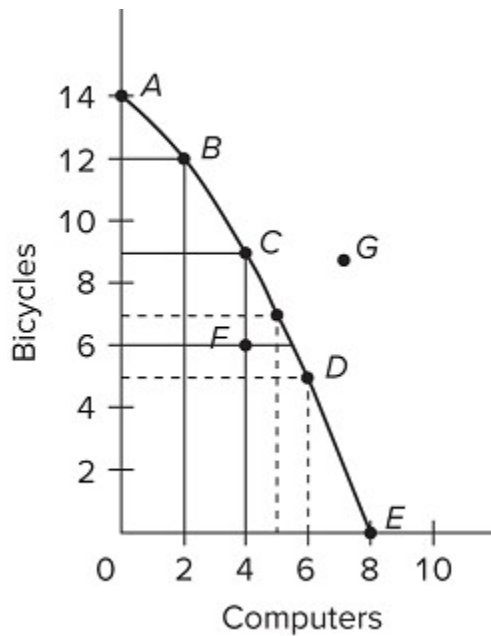
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-94 (Algo) Which of the following is...



Refer to the diagram. The combination of computers and bicycles shown by point G is irrelevant because it is inconsistent with consumer preferences.

unattainable given currently available resources and technology.

attainable but too costly.

attainable but involves unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-263 Refer to the diagram....

Momo tells her roommate, "I might as well go to class, I don't have anything better to do right now." Momo's statement suggests that

the marginal benefits of attending class outweigh the marginal costs.

going to class is always the activity that will give Momo the most utility.

the marginal costs of attending class outweigh the marginal benefits.

Momo doesn't face any opportunity costs of attending class.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-07 Momo tells her roommate, "I...

The point on the production possibilities curve that is most desirable can be found by determining where least-cost production occurs.

calculating where economic growth will be greatest.

estimating the marginal costs of both products in real or physical terms.

comparing marginal benefits and marginal costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-276 The point on the production...

Which of the following would *not* be considered a capital resource by economists?

the songs written and produced by a professional musician

an electric drill used by a construction worker

the secret recipe used in a restaurant's signature dish

100 shares of stock in a major corporation

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-185 Which of the following would...

A nation can produce two products: steel and wheat. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

The *marginal* opportunity cost of the fourth unit of steel is
7.5 units of wheat.

70 units of wheat.

25 units of wheat.

30 units of wheat.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

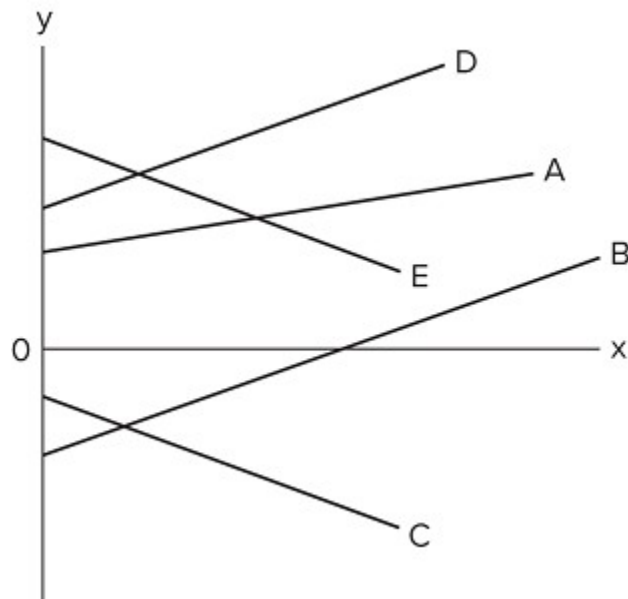
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-305 (Algo) A nation can produce two...



Refer to the diagram. Which line(s) show(s) a positive vertical intercept?

A, D, and B

A, D, and E

A and D only

B and C only

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-473 Refer to the diagram....

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

West Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods			4	3	2	1
Consumer Goods		20	39	48	54	58
East Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods		4	3	2	1	0
Consumer Goods		15	27	36	42	45

Refer to the tables. If West Podunk is producing at production alternative C, the opportunity cost of the 40th consumer good will be

1/9 capital good.

9 capital goods.

1/4 capital good.

16 capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

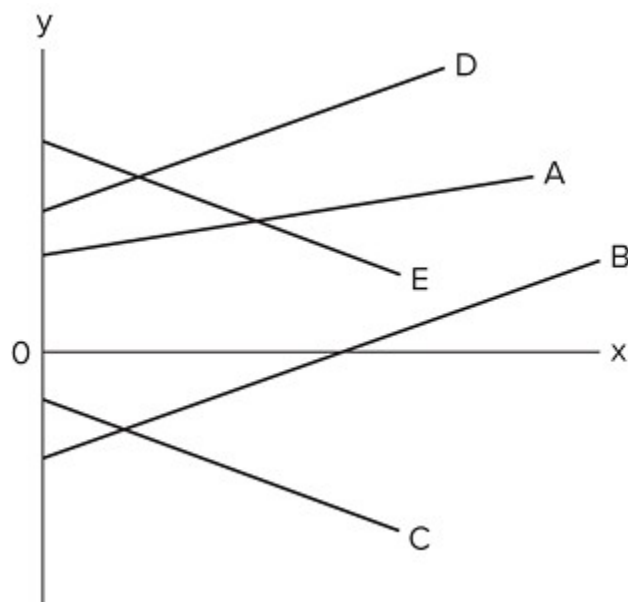
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-255b (Algo) Answer the question on the...



Refer to the diagram. Assume that the horizontal axis measures the quantity of a good and the vertical axis measures the marginal-benefit and marginal-cost of the good. Assuming that the good represented here has at least some positive benefits and costs, what can we conclude about the marginal-benefit and marginal-cost curves?

Curves A and D are possible marginal-benefit curves; curve E is a marginal-cost curve.

There is no combination of curves shown that could represent the optimal allocation of resources to this good.

Curve C is the marginal-benefit curve and curve B is the marginal-cost curve.

Curves A and D are possible marginal-cost curves; curve E is a marginal-benefit curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

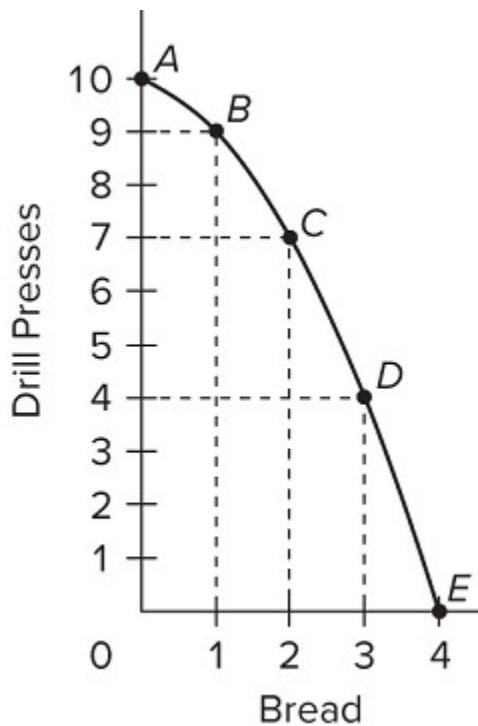
Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-296 Refer to the diagram....

The following graph is the production possibilities curve of a nation.



The combination "5 drill presses and 2 bread" indicates an unattainable combination for the nation.

an ideal combination for the nation.

that some resources in the nation are unemployed.

a combination produced when the nation is at full employment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-321 The following graph is the...

Which of the following is considered a firm's "factor of production"?

the office building occupied by the firm

U.S. Treasury bonds owned by the firm

money or cash balances of the firm

the firm's shares of common stock

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-188 Which of the following is...

If the output of product X is such that marginal benefit exceeds marginal cost,

the correct amount of resources is being allocated to X's production.

there can be a net gain to society by allocating fewer resources to producing X.

the value of producing X exceeds the value of producing alternative products with the available resources.

resources are overallocated to the production of X.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-283 If the output of product...

Answer the question on the basis of the following data.

After-Tax Income	Consumption
\$ 1,000	\$ 900
2,000	1,800
3,000	2,700
4,000	3,600
5,000	4,500

The data suggest that
after-tax income should be lowered to increase consumption.

a policy of tax reduction will increase consumption.

tax changes will have no impact on consumption.

a policy of tax increases will increase consumption.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

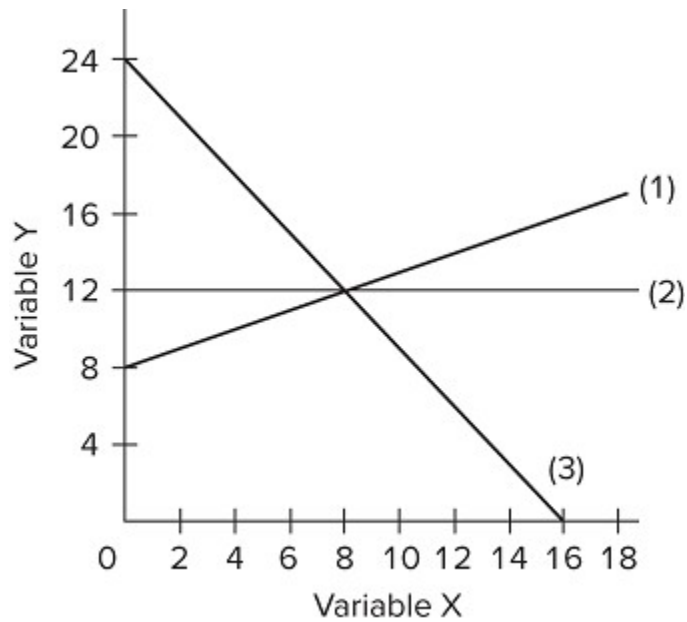
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-486 Answer the question on the...



- The slope of line (2) on the provided graph is
- 12.
 - infinite.
 - 18.
 - 0.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-543 The slope of line...

Answer the question on the basis of the following information. Assume that if the interest rate that businesses must pay to borrow funds were 20 percent, it would be unprofitable for businesses to invest in new machinery and equipment, so investment would be zero. But if the interest rate were 16 percent, businesses would find it profitable to invest \$10 billion. If the interest rate were 12 percent, \$20 billion would be invested. Assume that total investment continues to increase by \$10 billion for each successive 4 percentage point decline in the interest

rate. Refer to the information. Which of the following correctly expresses the indicated relationship as an equation?

$$i = 20 - 10I.$$

$$i = 24 - 0.4I.$$

$$i = 20 - 4I.$$

$$i = 20 - 0.4I.$$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-482 Answer the question on the...

In a curved graph that is dome-shaped, the tangent line at its maximum, or highest point, has an infinite slope.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-563 In a curved graph that...

If society has overallocated resources to a particular activity, then the marginal benefits of the activity would be less than the marginal costs.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-462 If society has overallocated resources...

When studying human behavior, economists assume rational self-interest. This means that people have all the information they need to make a decision.

people make decisions based on some desired outcome.

people always make the right decisions.

people are quite selfish and are not concerned about others.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-41 When studying human behavior, economists...

X	Y	Z
60	120	15
50	100	15
40	80	15

Variables X and Y in the above table are
independently related.

negatively related.

not directly related.

positively related.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-537 Variables X and Y in the...

In constructing models, economists

must use mathematical equations.

attempt to duplicate the real world.

make simplifying assumptions.

include all available information.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-73 In constructing models, economists...



Refer to the diagram. Technological advance in producing both capital goods and consumer goods is shown by the shift of the production possibilities curve from AB to

AF.

EB.

GH.

CD.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-346 Refer to the diagram....

If you knew that the vertical intercept for a straight line was 150 and that the slope of the line was 4, then the dependent variable would be 250 when the value of the independent variable is

25.

30.

15.

20.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-548 If you knew that the...

The process of observing real-world behavior, developing hypotheses, testing them against facts, then using the results to construct theories is called

the scientific method.

marginal analysis.

normative analysis.

opportunity cost estimation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-62 The process of observing real-world...

A nation's consumption is strictly limited by its production possibilities, even with specialization and international trade.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-466 A nation's consumption is strictly...

If a nation produces more consumer goods and less capital goods, then the nation will have more consumption now, with no effect on consumption later.

less consumption later, with no effect on consumption now.

less consumption now, but more consumption later.

more consumption now, but less consumption later.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-301 If a nation produces more...

Although sleeping in on a workday or school day has an opportunity cost, sleeping late on the weekend does not.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-430 Although sleeping in on a...

A nation can produce two products: steel and wheat. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Suppose this two-good economy is operating on its production possibilities curve and the marginal benefit of steel equals the marginal cost of steel at 4 units. What is the optimal quantity of wheat?

90 units of wheat

The optimal quantity of wheat cannot be determined.

30 units of wheat

75 units of wheat

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-309 (Algo) A nation can produce two...

Which of the following lists includes only capital resources (and therefore no labor or land resources)?

autos owned by a car rental firm, blueprints owned by a contractor, vans used to shuttle rental customers to and from the airport

an ice arena, a professional hockey player, hockey uniforms

a hydroelectric dam, water behind the dam, power lines

the owner of a new start-up firm, a chemistry lab, a researcher

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-171 Which of the following lists...

As a consequence of the problem of scarcity,
things which are plentiful have relatively high prices.
individuals have to make choices from among alternatives.
only some people can "have it all."
there is never enough of anything.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-35 As a consequence of the...

Which of the following will shift the production possibilities curve to the right?
an increase in the unemployment rate from 6 to 8 percent
a technological advance that allows farmers to produce more output from given inputs
a decrease in the unemployment rate from 8 to 6 percent
a decline in the efficiency with which the present labor force is allocated

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

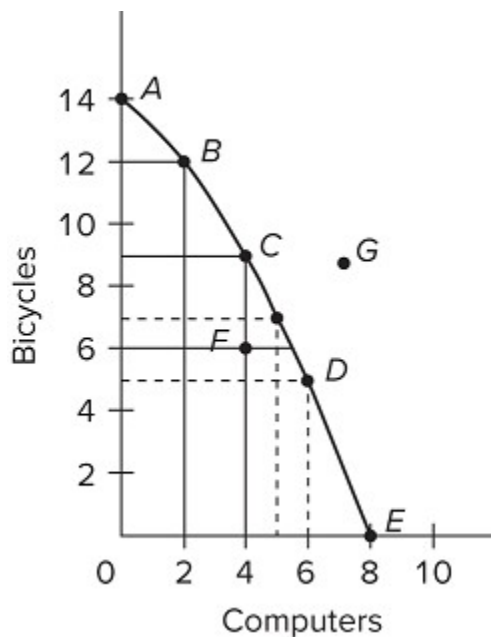
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-351 Which of the following will...



Refer to the diagram. The combination of computers and bicycles shown by point F is irrelevant because it is inconsistent with consumer preferences.

suggests that opportunity costs are constant.

is unattainable given currently available resources and technology.

is attainable but implies that the economy is not using all its resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

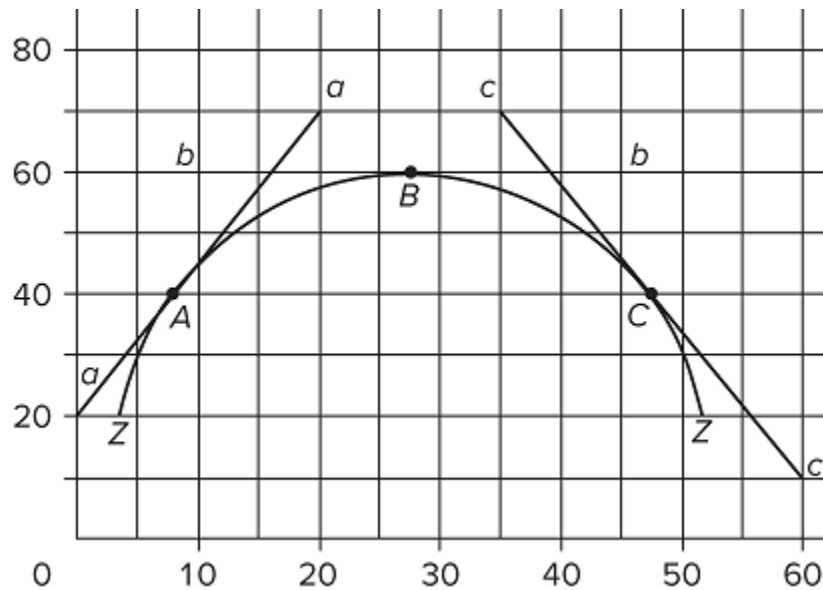
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-263 (Algo) Refer to the diagram. The combination of...



- Refer to the diagram. The slope of curve ZZ at point C is approximately
- −4.
 - −2.
 - +3.
 - −2½.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

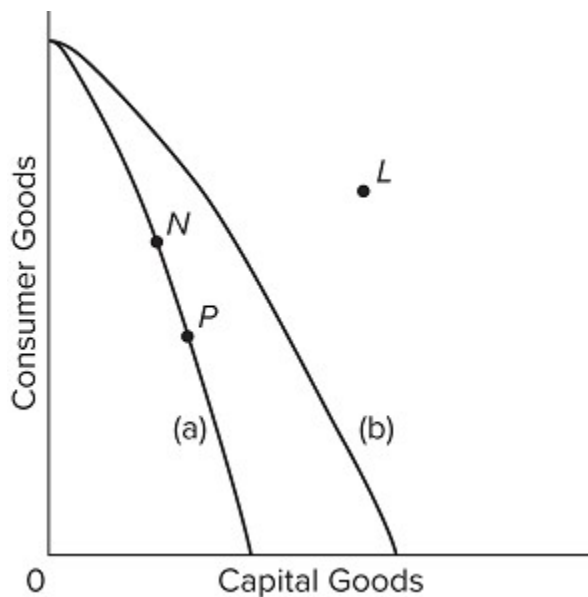
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-515 Refer to the diagram....



Refer to the provided production possibilities curves. Curve (a) is the initial curve for the economy. If the economy's production possibilities then shift to curve (b), then point L would indicate some unemployment of resources or idle production capacity.

point P would still indicate a case of full production and full employment of resources.

point N would indicate some unemployment of resources or idle production capacity.

point N would still indicate a case of full production and full employment of resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-385 Refer to the provided...

(LAST WORD) The post hoc fallacy is the error of

allowing preconceptions and biases to interfere with objective analysis.

concluding that just because one event precedes another, the first must have caused the second.

concluding that what is true for an individual must be true for a group, and vice versa.

allowing loaded terminology to interfere with sound economic reasoning.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-404 (LAST WORD) The post hoc...

The idea in economics that "there is no free lunch" means that

free lunches used by businesses to attract customers are an inefficient marketing ploy.

businesses would go bankrupt if they offered free lunches.

there are opportunity costs involved even in free lunches.

the thought of a free lunch is often better than the reality of consuming it.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-37 The idea in economics that...

If price (P) and quantity (Q) are directly related, this means that

a change in Q will alter P , but a change in P will not alter Q .

an increase in P will cause Q to change, but the direction in which Q changes cannot be predicted.

if P increases, Q will also increase.

if P increases, Q will decrease.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

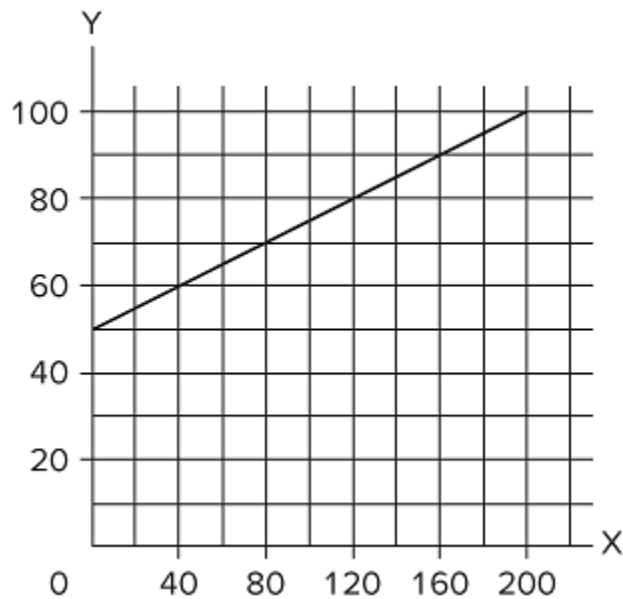
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-479 If price (P) and quantity...



Refer to the diagram. The variables X and Y are directly related.

inversely related.

unrelated.

negatively related.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-488 Refer to the diagram....

When economists refer to scarcity, they are referring to

a situation where what we have of something exceeds what we want of that thing.

the want-satisfying properties of a good or service.

any situation where an item is limited in amount.

a situation where what we want of something exceeds what we have of that thing.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-03 When economists refer to scarcity,...

In response to the terrorist attacks of September 11, 2001, the government decided to allocate more resources toward defense goods. The government's decision reflects their assessment that civilian goods are not worth producing.

the marginal cost of additional defense goods outweighed the marginal benefit.

the marginal benefits of additional defense goods outweighed the marginal cost.

there cannot be too many defense goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-338 In response to the terrorist...

The basic truth that underlies the study of economics is the fact that we all face scarcity.

risk.

death.

taxes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-33 The basic truth that underlies...

Which of the following is an example of a macroeconomic question?

What policies would be recommended for stimulating national economic growth?

What market conditions are expected for milk in the nation this year?

What economic incentives can be used to reduce the cost of health care in the nation?

What is the level of industrial concentration in the U.S. automobile industry?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-111 Which of the following is...

Which of the following is considered to be an entrepreneur?

a production-line worker

a customer of a firm

a self-employed person

an MBA graduate hired by a firm to be its CEO

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-191 Which of the following is...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. The equation for data set 5 is

$V = 2U.$

$U = -0.5V.$

$V = 0.5Y.$

$U = V.$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-503 Answer the question on the...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. If the economy is producing at production alternative C, the opportunity cost of 8 consumer goods will be approximately

2 consumer goods.

1 capital good.

2 capital goods.

3 consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-209 (Algo) Answer the question on the...

"Wages in the economy are too low." This is an example of a normative statement.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-413 "Wages in the economy are...

Opportunity costs exist because

most decisions do not involve sacrifices or trade-offs.

households and businesses make rational decisions.

wants are scarce relative to resources.

the decision to engage in one activity means forgoing some other activity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-20 Opportunity costs exist because...

"The Federal Reserve raising interest rates is the best way to bring down inflation." This is an example of a positive statement.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-412 "The Federal Reserve raising interest...

Normative statements are expressions of facts.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-409 Normative statements are expressions of...

The construction of a production possibilities curve assumes

some resources are unemployed.

technology is fixed.

the quantities of all resources are unlimited.

there is no inflation in the economy.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Knowledge Application

Difficulty : 01 Easy

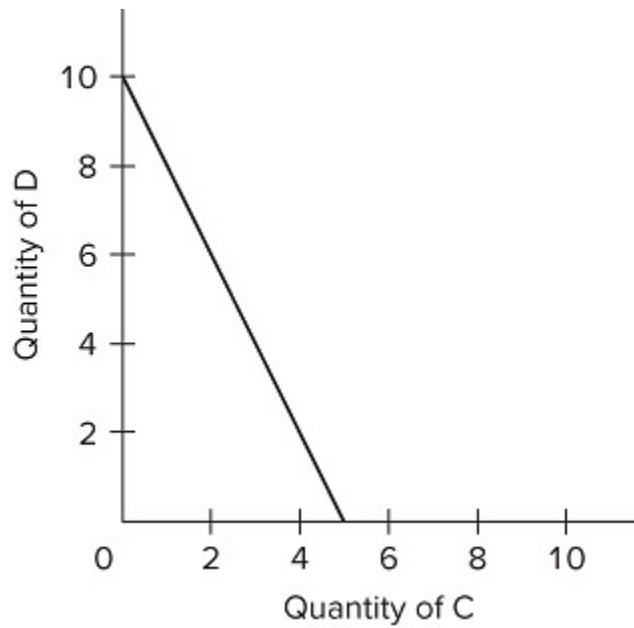
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-244 (Algo) The construction of a production...



Refer to the budget line shown in the diagram. The absolute value of the slope of the budget line is one-half.

$M-U-C \div M-U-D$.

$PD \div PC$.

$PC \div PD$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

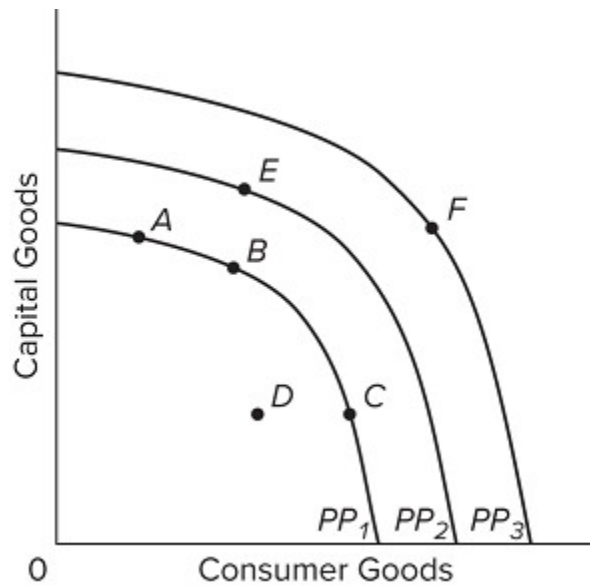
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-129 Refer to the budget...



Refer to the diagram. Which one of the following would shift the production possibilities curve from PP1 to PP2?

a reduction in hourly wages

a new variant of the corona virus leading to an increase in pandemic cases

immigration of skilled workers into the economy

an increase in consumer prices

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-357 Refer to the diagram....

Purposeful behavior means that

people are selfish in their decision making.

people weigh costs and benefits to make decisions.

decision makers do not make mistakes when weighing costs and benefits.

people are immune from emotions affecting their decisions.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-17 Purposeful behavior means that...

Ming is presented with four meal choices, of which she gets to choose one. Her order of preference is pizza, schnitzel, curry, and sushi. Assuming Ming chooses the pizza, what is the opportunity cost of her decision?

curry

All three alternatives to pizza

schnitzel

pizza

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-57 (Algo) Ming is presented with four...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

The opportunity cost of producing the 91st unit of wheat is approximately
1/10 of a unit of steel.

1 unit of steel.

10 units of steel.

0 units of steel.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-306 A nation can produce two...

Other things equal, which of the following would shift an economy's production possibilities curve to the left?

the entrance of more women into the labor force

a law requiring mandatory retirement from the labor force at age 55

the discovery of a low-cost means of generating and storing solar energy

an increase in the proportion of total output that consists of capital or investment goods

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

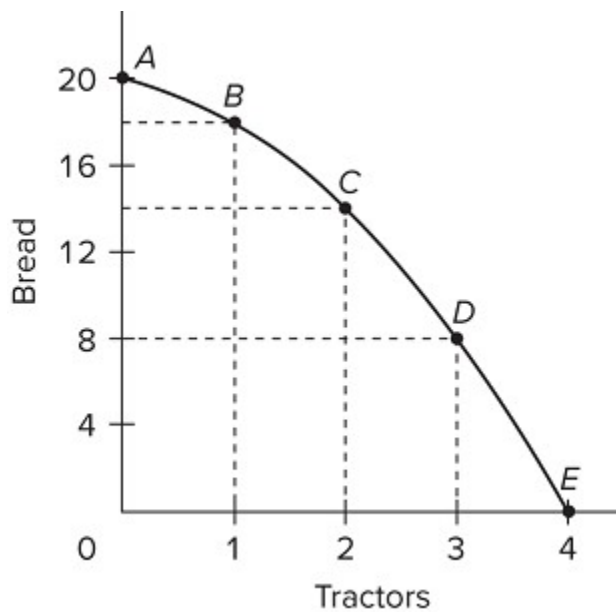
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-352 Other things equal, which of...



Refer to the diagram. If the economy is currently at point C, what is the opportunity cost of the fifteenth unit of bread?

- 1 unit of tractors
- 1/8 units of tractors
- 1/2 units of tractors
- 1/4 units of tractors

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

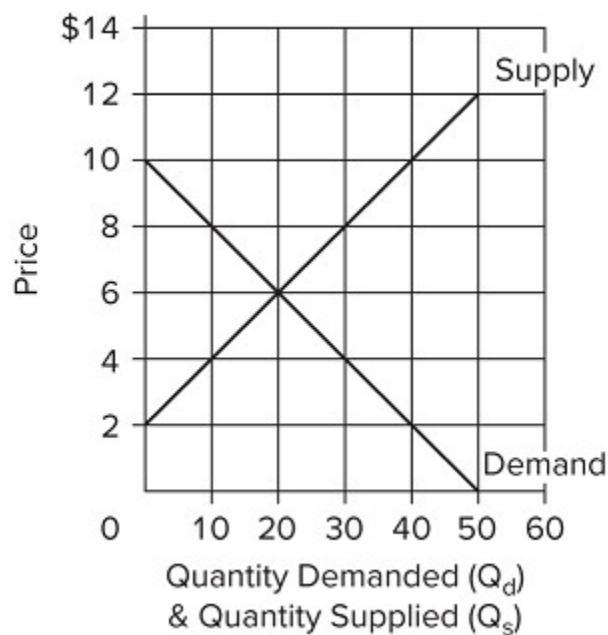
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-238 Refer to the diagram....



Refer to the graph. Using Q_s for quantity supplied and P for price, which of the following equations correctly states the supply of this product?

$P = 60/Q_s$

$P = 2 + 0.2Q_s$

$P = 10Q_s - 2P$

$P = 4 + 0.2Q_s$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-496 Refer to the graph....

Will an increase in income solve an individual's economizing problem?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : III

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-576 Will an increase in income...

According to the economic perspective

people only consider their own utility when making choices.

people will attempt to maximize the difference between marginal benefits and marginal costs.

resources are sufficiently abundant that everyone should have their wants satisfied.

scarcity requires that people make choices.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

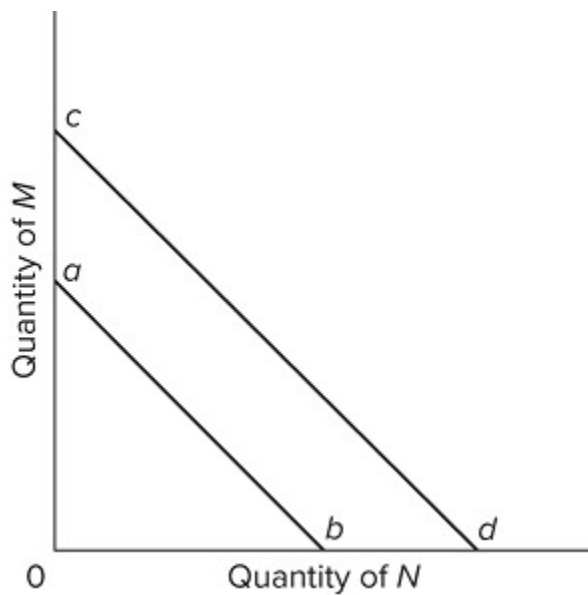
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-15 According to the economic perspective...



The shift of the budget line from cd to ab in the figure is consistent with an increase in money income.

increases in the prices of both M and N by the same proportion.

an increase in the price of M and a decrease in the price of N.

decreases in the prices of both M and N by the same proportion.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-134 The shift of the...

Which of the following is the best synonym for "marginal" in economics?

additional

basic

minor

scarce

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-46 Which of the following is...

Which of the following would *not* be classified as capital by economists?

trucks used to ship goods to distributors

warehouse facilities used to store goods

intellectual property owned by the firm

money in a business checking account

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-180 Which of the following would...

Explain the individual's economizing problem.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : III

Topic : Individual's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-574 Explain the individual's economizing problem....

Which of the following is a capital resource?

the recipes of a restaurant

the restaurant staff

the ingredients used by a restaurant to create menu items

a share of stock representing partial ownership of the restaurant

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

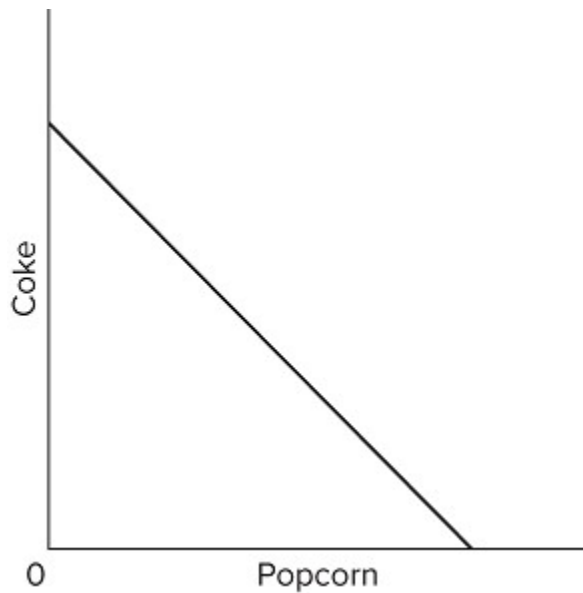
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-168 Which of the following is...



Suppose Elroy's budget line is as shown on the diagram. If his tastes change in favor of Coke and against popcorn, the budget line will become steeper.

become flatter.

shift rightward.

be unaffected.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-141 Suppose Elroy's budget line...

The amount of pizzas that consumers want to buy per week is reflected in the equation $P = 15 - 0.02Q_d$, where Q_d is the amount of pizzas purchased per week and P is the price of pizzas. On the basis of this information, we can say that

more pizzas will be purchased at a high price than at a low price.

if pizzas were free, people would consume 800 per week.

if the price of pizzas is \$6, then 150 will be purchased.

50 fewer pizzas will be purchased per week for every \$1 increase in price.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-512 The amount of pizzas that...

The quantity or supply of land resources available to a nation is pretty much fixed and cannot increase over time.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-458 The quantity or supply of...

What are the benefits to society from companies like Starbucks using marginal analysis to make their business decisions?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

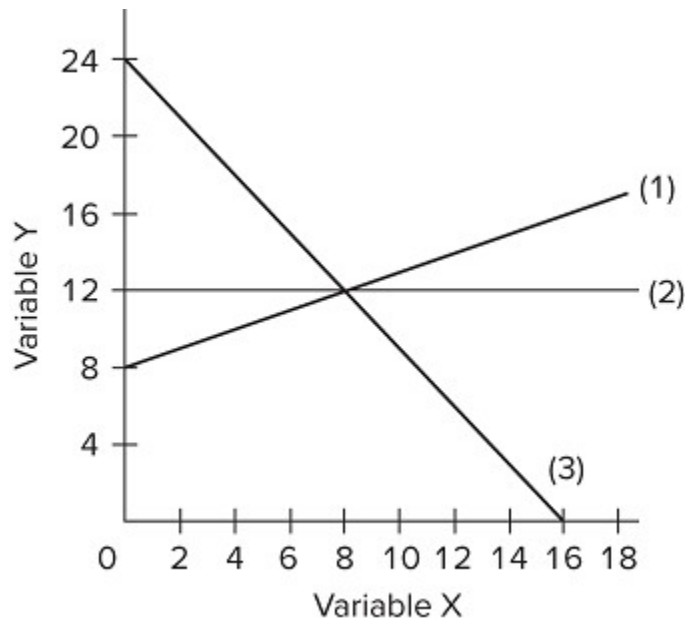
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-584 What are the benefits to...



In line (2) on the provided graph, the variables x and y are nonlinearly related.

inversely related.

directly related.

not correlated.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

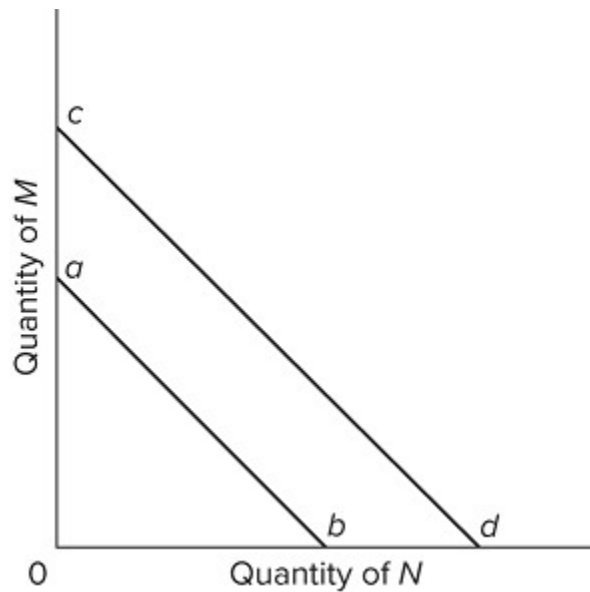
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-542 In line (2) on...



The shift of the budget line from ab to cd in the figure could have been caused by which of the following

- an increase in money income.
- a decrease in money income.
- proportional increases in the prices of both M and N .
- decreases in the prices of M and N by unequal proportions.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-135 The shift of the...

The slope of a graph measures the rate of change in one variable as the other variable changes.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-560 The slope of a graph...

The slope of a graph with "income" on the horizontal axis and "saving" on the vertical axis is +0.2. This means that if

saving rises by \$100, then income will rise by \$20.

income increases by \$100, then saving will rise by \$20.

income is 0.20, then saving is zero.

income is \$100, then saving is \$20.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-525 The slope of a graph...

The basic purpose of the other-things-equal assumption is to

allow one to focus upon micro variables by ignoring macro variables.

determine whether X causes Y or vice versa.

allow one to reason about the relationship between variables X and Y without the intrusion of variable Z .

allow one to focus upon macro variables by ignoring micro variables.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-75 The basic purpose of the...

The economic perspective entails

rejection of the scientific method.

irrational behavior by individuals and institutions.

short-term but not long-term thinking.

a comparison of marginal benefits and marginal costs in decision making.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-14 The economic perspective entails...

The four factors of production are

land, labor, capital, and money.

land, labor, capital, and entrepreneurial ability.

labor, capital, technology, and entrepreneurial ability.

labor, capital, entrepreneurial ability, and money.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-169 The four factors of production...

The economizing problem for individuals is a consequence of the fact that

economic wants are greater than economic means or incomes.

normative economics is more important than positive economics.

economic means or incomes are greater than economic wants.

positive economics is more important than normative economics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-149 The economizing problem for individuals...

Suppose that Hideki's budget for entertainment is \$120 per month. His entertainment choices in town include movies that cost \$12 each and rounds of golf that cost \$20 each. Based on this information, we can conclude that Hideki

should only go to the movies, since that is the cheaper option.

can go to 10 movies or play 6 rounds of golf per month.

can go to 10 movies and play 6 rounds of golf per month.

should only play golf, since that typically lasts longer than a movie.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-146 Suppose that Hideki's budget for...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

	West Podunk Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						
	East Podunk Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the tables. Suppose that technologies in West Podunk and East Podunk are identical.

We can conclude that

West Podunk has more or better resources than East Podunk in producing both capital and consumer goods.

East Podunk has more or better resources than West Podunk in producing both capital and consumer goods.

the two nations have similar resources suited for the production of capital goods, but West Podunk has more or better resources for producing consumer goods.

West Podunk is growing more slowly than East Podunk.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-258 (Algo) Answer the question on the...

One basic difference between "land" and "capital" resources is that land is

limited, while capital is unlimited.

unlimited, while capital is limited.

manufactured, while capital is created by humans.

natural, while capital is created by humans.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

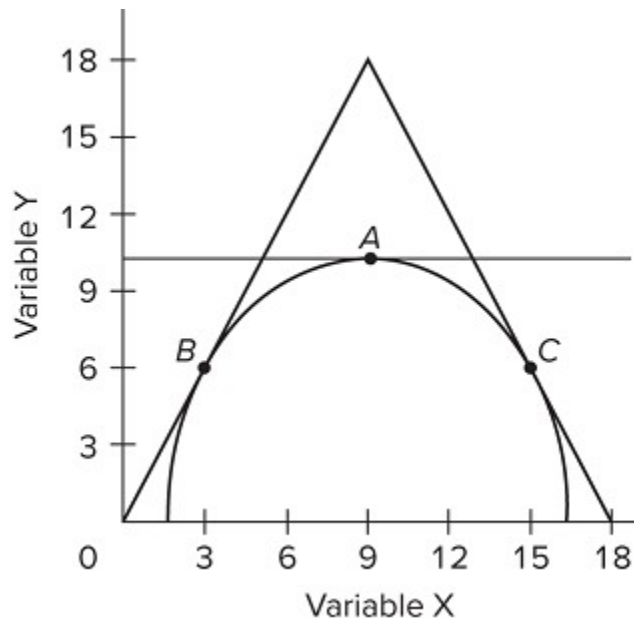
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-190 One basic difference between "land"...



- Refer to the provided graph. The slope of the line tangent to the curve at point A is
- 4.
 - 0.5.
 - 0.
 - 2.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-549 Refer to the provided...

Which of the following is a normative statement?

The best way to reduce inflation is with a contractionary monetary policy.

Raising taxes will reduce spending in the economy, reducing inflationary pressure.

Approximately 2/3 of recent inflation is attributable to supply chain issues.

The inflation rate is higher than it has been in 40 years.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

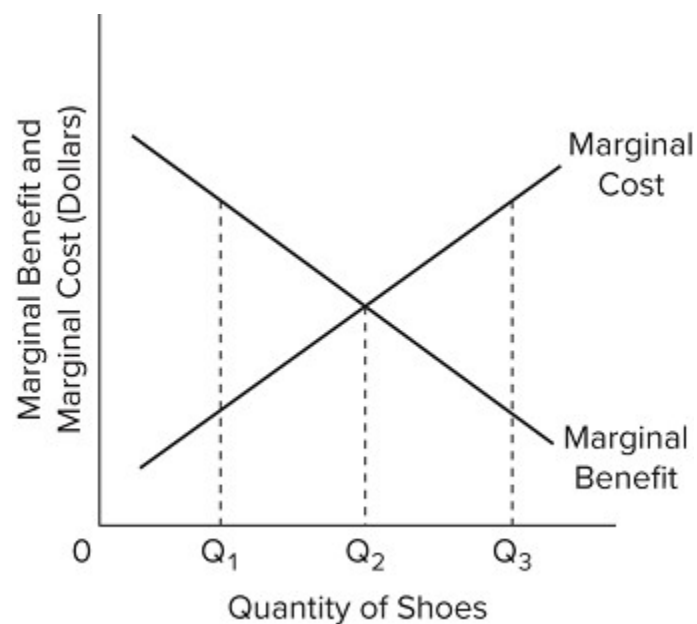
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-100 Which of the following is...



Refer to the diagram for athletic shoes. If the current output of shoes is Q₃, then society would consider additional units of shoes to be less valuable than alternative products.

society would consider additional units of shoes to be more valuable than alternative products.

society would experience a net gain by producing more shoes.

resources are being allocated efficiently to the production of shoes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

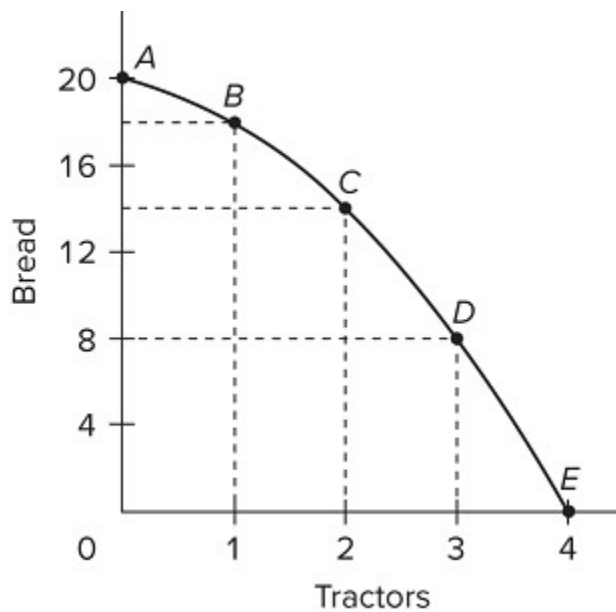
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-288 Refer to the diagram...



Refer to the diagram. Starting at point C, the opportunity cost of producing the fifteenth unit(s) of bread is

1/4 unit(s) of tractors.

the reciprocal of the output of bread.

1 unit(s) of tractors.

1/2 unit(s) of tractors.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Graph

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-235 (Algo) Refer to the diagram...

Suppose that a nation at full employment can only make two products: defense goods and civilian goods. In a graph of the marginal benefit (MB) and marginal cost (MC) of defense goods, a leftward shift of the MB curve will cause the optimal quantity of

civilian goods to decrease.

civilian goods to increase.

both civilian goods and defense goods to decrease.

defense goods to decrease.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-344 Suppose that a nation at...

Suppose that Julia receives a \$20 gift card for the local coffee shop, where she only buys lattes and muffins. If the price of a latte is \$4 and the price of a muffin is \$2, then we can conclude that Julia

should only buy lattes.

can buy 5 lattes or 10 muffins if she chooses to buy only one of the two goods.

should only buy muffins.

can buy 5 lattes and 10 muffins with her \$20 gift card.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-145 Suppose that Julia receives a...

An assumption is usually made in a two-axes (or two-dimensional) graph that, aside from the two variables under study, the influence of all other variables or factors is assumed to be constant.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-559 An assumption is usually made...

Which of the following best represents the economic perspective used in customer decision making at fast-food restaurants?

decisions for which marginal costs exceed marginal benefits

irrational purchasing of high-fat-content food

all customer lines tending to be of different lengths

customers selecting the shortest line

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-53 Which of the following best...

You should decide to run three miles

whenever you have the time available.

if the marginal benefit of running exceeds its marginal cost.

if the marginal cost of running exceeds its marginal benefit.

because it is the best way to stay fit.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-19 (Algo) You should decide to...

If two sets of data are inversely related, they will appear on a graph as an upward-sloping line.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

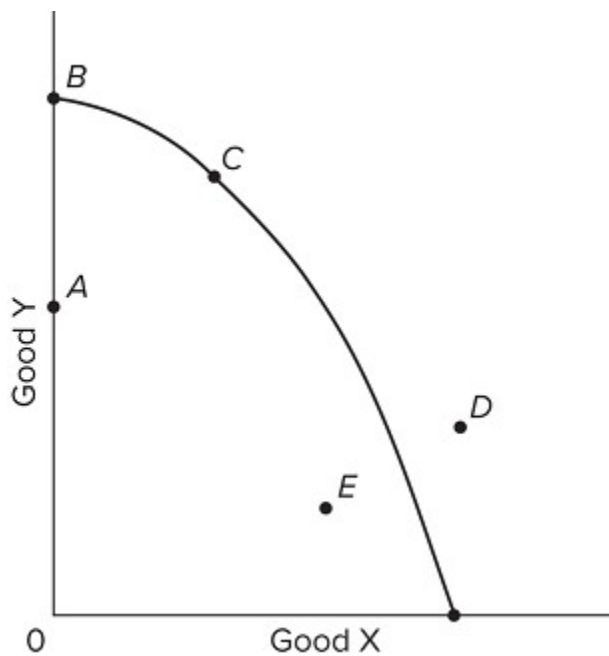
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-555 If two sets of data...



The graph provided shows the production possibilities curve for an economy producing two goods, X and Y. Which of the points on the graph indicate(s) unemployed resources?

B and C only

B and A only

D only

E and A only

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-368 The graph provided shows...

The quantity of running shoes produced should be

increased if total benefits exceed total costs.

reduced if marginal costs exceed marginal benefits.

reduced if marginal benefits exceed marginal costs.

increased if marginal costs exceed marginal benefits.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-281 (Algo) The quantity of...

The distinction between microeconomics and macroeconomics is

that microeconomics seeks to obtain an overview, while macroeconomics observes the details of individual components.

so clear-cut that every topic can be readily labeled as either macro or micro.

that microeconomics studies the behavior of individual consumers, workers, and firms, while macroeconomics studies the economy as a whole.

that microeconomics examines the beach, while macroeconomics looks at the sand, individual rocks, and shells, so to speak.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-115 The distinction between microeconomics and...

The economizing problem faced by society is essentially one of deciding how to make the best use of

limited economic resources to satisfy unlimited economic wants.

limited economic resources to satisfy limited wants.

unlimited economic resources to satisfy limited wants.

unlimited economic resources to satisfy unlimited wants.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-181 The economizing problem faced by...

Phenomena such as inflation and unemployment are a major focus of macroeconomics.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-449 Phenomena such as inflation and...

Slopes of lines are especially important in economics because

positive slopes are always preferred to negative slopes.

they always relate to resource and output scarcity.

they always tell us something about profits.

they measure marginal changes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-518 Slopes of lines are especially...

All of the following could immediately or eventually lead to an inward shift of a nation's production possibilities curve, *except*

depletion and reduced availability of major energy resources.

an increase in the average skill level of all occupational groups.

a decline in the birthrate.

emigration of skilled workers to other nations.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

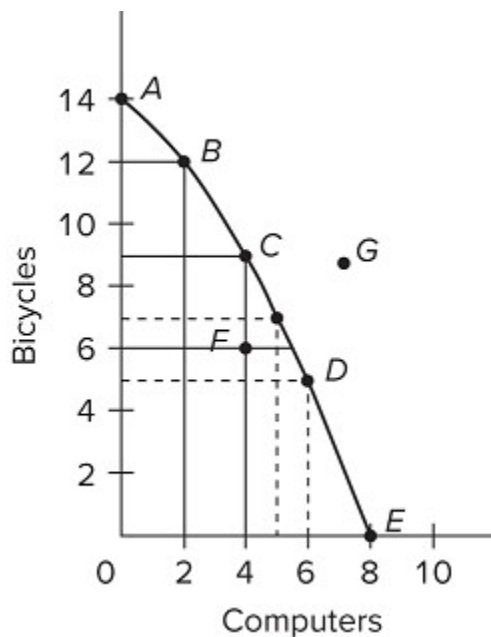
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-359 All of the following could...



Refer to the diagram. The movement down the production possibilities curve from point A to point E suggests that the production of

- both bicycles and computers is subject to constant opportunity costs.
- bicycles, but not computers, is subject to increasing opportunity costs.
- computers, but not bicycles, is subject to increasing opportunity costs.
- both bicycles and computers is subject to increasing opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-266 Refer to the diagram....

One major part of the opportunity costs of one's decision to go to college after high school graduation is the

high-school diploma needed in order to apply for college.

additional income that one can get if one had a college degree.

full-time job that one could have gotten instead of going to college.

education that one gets while in college.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-165 One major part of the...

A typical concave (bowed out from the origin) production possibilities curve implies that opportunity costs are constant.

society maximizes well-being when it produces in the very center of the curve.

economic resources are not completely substitutable for each other in production.

economic resources are perfect substitutes for each other.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-246 A typical concave (bowed out...

Which of the following is *not* a factor of production?

capital

labor

money

entrepreneur

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-187 Which of the following is...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

Refer to the tables. Suppose that resources in West Podunk and East Podunk are identical in quantity and quality. We can conclude that West Podunk is growing more rapidly than East Podunk.

the two nations have similar technology in the production of capital goods, but West Podunk has better technology in the production of consumer goods.

West Podunk has better technology than East Podunk in producing both capital and consumer goods.

East Podunk has better technology than West Podunk in producing both capital and consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-258 Answer the question on the...

Normative statements are concerned primarily with

facts and theories.

what is.

what ought to be.

rational choice involving costs and benefits.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-101 Normative statements are concerned primarily...

A nation can produce two products: tanks and autos. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

Given the production possibilities schedule above, a combination of 2 tanks and 850 autos is not attainable because this combination is not listed in the schedule.

is attainable but entails some unemployment or inefficient use of society's resources.

is both attainable and represents an efficient use of society's resources.

cannot be produced by society, given its current resources and production technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-312 (Algo) A nation can produce two...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

The *marginal* opportunity cost of the fourth unit of tanks is 650 units of autos.

300 units of autos.

350 units of autos.

3 units of tanks.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-315 A nation can produce two...

An economic model is an ideal or utopian type of economy that society should strive to obtain through economic policy.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-406 An economic model is an...

Which of the following is considered an economic resource?

the land that is designated as national parks by the government

the ice cream that kids buy at the ice cream parlor

the HD-TV sets in people's homes

Shoppers buying stuff at the mall.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-186 Which of the following is...

Assume an economy is incurring unemployment. The effect of resolving this problem will be to shift its production possibilities curve to the left.

shift its production possibilities curve to the right.

move the level of actual output closer to the economy's production possibilities curve.

create a less equal distribution of income.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-224 Assume an economy is incurring...

(LAST WORD) Which of the following statements is an example of the post hoc fallacy?

"Anyone advocating for more government regulation is a socialist."

"If it's good for an individual to save more, it's therefore good if we all save more."

"Daily temperatures and ice cream purchases are positively related."

"It's raining today because I just washed my car."

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-403 (LAST WORD) Which of the...

(LAST WORD) Which of the following statements is an example of the fallacy of composition?

"People usually buy sunscreen before summer, thus causing the warmer weather."

"I forgot my heavy coat today so it started to snow."

"High inflation in the economy is mainly the result of corporate greed."

"If I start my commute earlier in the morning, I'll miss rush hour traffic. Therefore, if everyone starts their commute earlier, they will all miss rush hour."

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-405 (LAST WORD) Which of the...

A person should consume that precise amount of something when its marginal benefit is positive.

cost is less than its marginal benefit.

cost exceeds its marginal benefit.

benefit equals its marginal cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

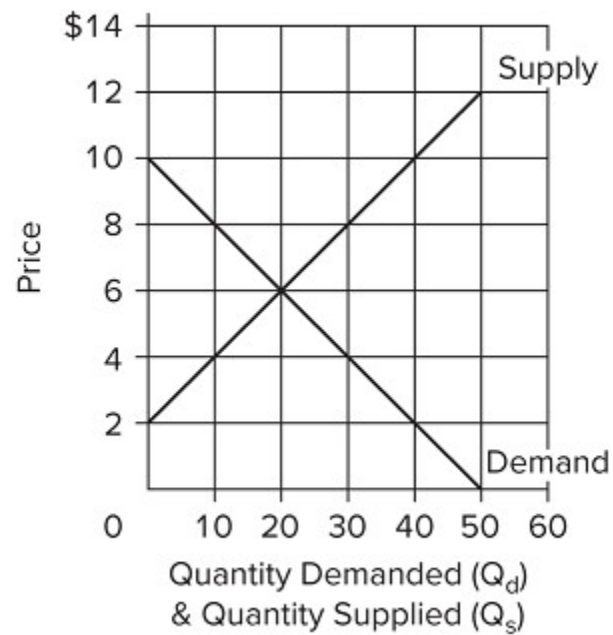
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-11 (Algo) A person should consume...



Refer to the graph. Which of the following schedules correctly reflects "Supply"?

(A)		(B)	
P	Qs	P	Qs
\$12	50	\$14	50
10	30	12	40
8	10	10	30
6	0	8	20
4	0	6	10
2	0	4	0
(C)		(D)	
P	Qs	P	Qs
\$12	50	\$12	0
10	40	10	0
8	30	8	10
6	20	6	20
4	10	4	30
2	0	2	40

option D

option C

option B

option A

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

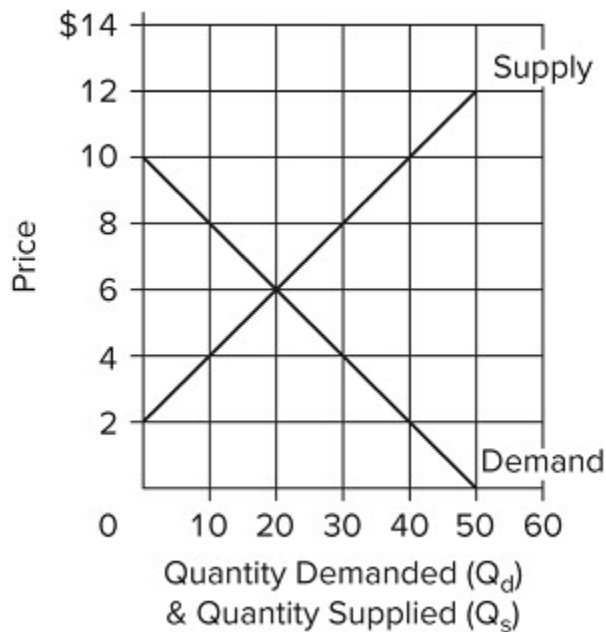
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-494 Refer to the graph....



Refer to the graph. Which of the following statements is correct?
Price and quantity supplied are directly related.

Price and quantity supplied are inversely related.

Price and quantity demanded are directly related.

Quantity demanded and quantity supplied are independent of price.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

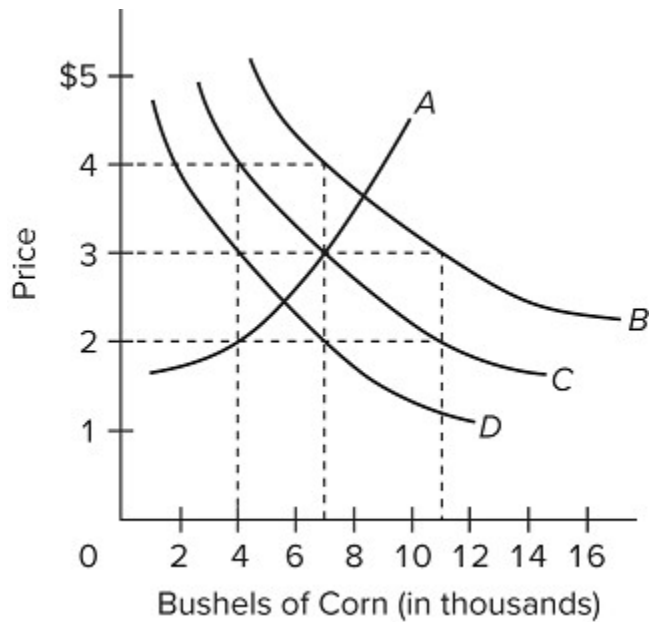
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-492 Refer to the graph....



Refer to the provided graph. From the economists' perspective, which is the independent variable and which is the dependent variable?

Both price and quantity demanded are independent variables.

Price is the independent variable, and quantity demanded is the dependent variable.

Price is the dependent variable, and quantity demanded is the independent variable.

Both price and quantity demanded are dependent variables.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

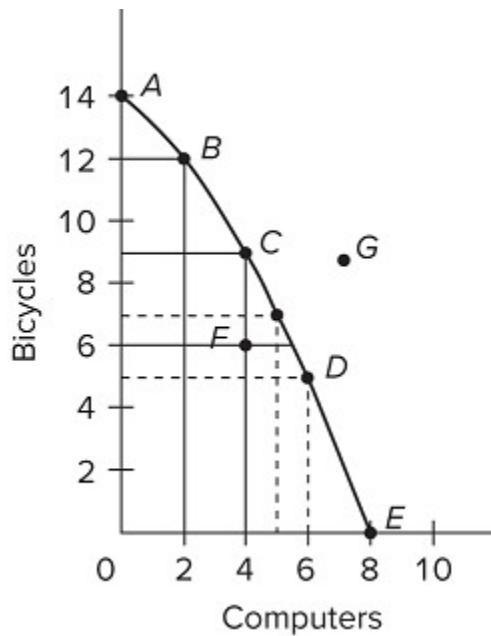
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-541 Refer to the provided...



Refer to the diagram. Points A, B, C, D, and E show that society's demand for bicycles is greater than its demand for computers.

that the opportunity cost of computers increases, while that of bicycles is constant.

combinations of bicycles and computers that society can produce by using its resources efficiently.

that the opportunity cost of bicycles increases, while that of computers is constant.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-261 Refer to the diagram....

In a graph of the relationship between income and saving, economists generally consider saving to be the dependent variable and place it on the vertical axis.

income to be the dependent variable and place it on the horizontal axis.

saving to be the independent variable and place it on the vertical axis.

income to be the independent variable and place it on the vertical axis.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-532 In a graph of the...

The slope of a graph that shows a direct relationship is

possibly zero.

always positive.

either positive or negative.

either zero or infinite.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-524 The slope of a graph...

Which of the following is an example of a microeconomic question?

Will the inflation rate remain relatively stable this year?

What factors are contributing to the steep rise in the federal government's total debt?

What should the Federal government do to reduce the trade deficit with Japan?

Will the merger of two airlines likely lead to a higher cost of air travel in the economy?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

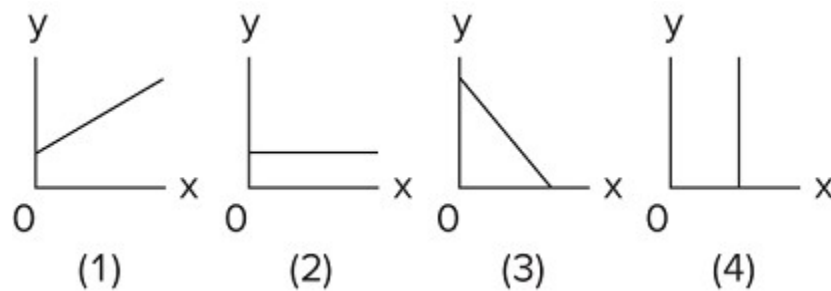
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-112 Which of the following is...



Answer on the basis of the relationships shown in the four figures. The amount of y is directly related to the amount of x in

2 only.

both 1 and 4.

both 1 and 2.

1 only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-477 Answer on the basis...

Rational individuals may make different choices because their preferences and circumstances differ.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-418 Rational individuals may make different...

A nation's production possibilities curve might shift to the left (inward) as a result of

the depletion of its soil fertility due to overplanting and overgrazing.

investing in more capital goods.

increases in the size of the labor force.

technological advance.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-360 A nation's production possibilities curve...

Through specialization and international trade, a nation

will only attain some combination of goods lying within its production possibilities curve.

can move from a high consumption–low investment to a high investment–low consumption point on its production possibilities curve.

will cause its production possibilities curve to shift leftward.

can attain some combination of goods lying outside its production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-363 Through specialization and international trade,...

X	Y	Z
60	120	15
50	100	15
40	80	15

Variables X and Z in the provided table are
nonlinearly related.

independent.

positively related.

negatively related.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

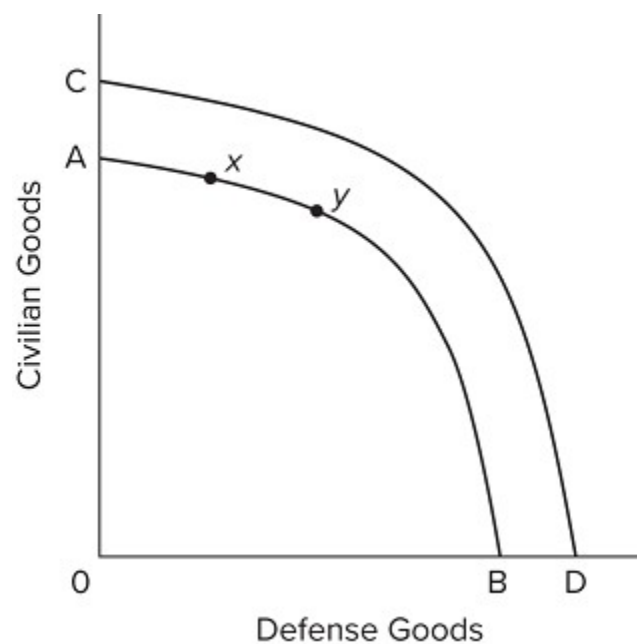
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-538 Variables X and Z in the...



Refer to the diagram. The direct economic impact of the destruction and loss of lives caused by the terrorist attacks of September 11, 2001, is illustrated by the shift of the production possibilities curve from AB to CD.

shift of the production possibilities curve from CD to AB.

move from x to y on production possibilities curve AB.

move from y to x on production possibilities curve AB.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-335 Refer to the diagram....

Ben says that "an increase in the tax on beer will raise its price." Holly argues that "taxes should be increased on beer because college students drink too much." We can conclude that

Holly's statement is normative, but Ben's is positive.

both statements are positive.

both statements are normative.

Ben's statement is normative, but Holly's is positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-104 Ben says that "an increase...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. This means that, in order to buy two bananas, this consumer must forgo

1.5 apples.

0.5 apple.

1 apple.

0.75 apple.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-161 Assume that a consumer has...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

According to the production possibilities schedule, a combination of 4 tanks and 650 autos is attainable but would not be in the best interests of a strong national defense.

not attainable because the nation does not have sufficient resources.

less than (or below) the maximum attainable output combination.

attainable and involves an efficient use of society's resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-311 A nation can produce two...

Reza says "inflation is being caused by excessive demand." Iman states that "inflation is being caused by supply chain problems." We can conclude that

Both statements are normative.

Reza' statement is positive, but Iman's is normative.

Iman's statement is positive, but Reza's is normative.

Reza's statement is positive, and Iman's is positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

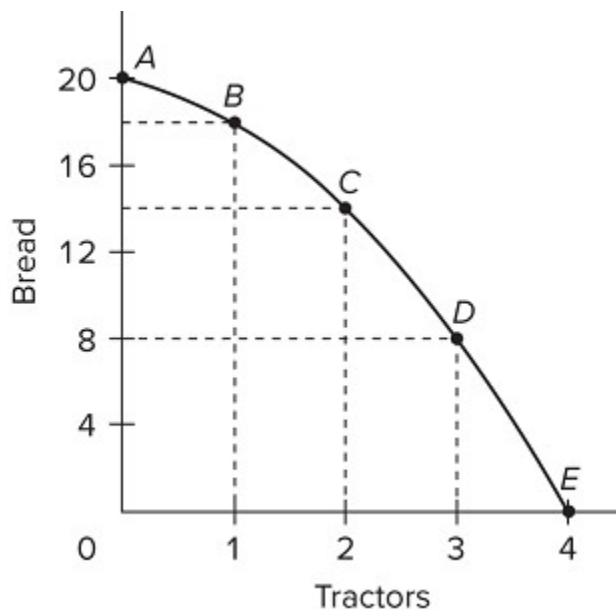
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-105 (Algo) Reza says...



Refer to the diagram. Which of the following is a positive statement?

Given its resources and technology, this society is incapable of simultaneously producing 3 units of tractors and 15 units of bread.

A point inside the production possibilities curve is superior to a point on the curve because the former requires less work effort.

Point B is preferable to point C because the ultimate goal of economic activity is to maximize consumption.

Because any society should stress economic growth as its major goal, point D is superior to point C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Microeconomics and Macroeconomics

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-234 Refer to the diagram....

Which of the following suggests a direct relationship between x and y?

a change in $y = -2$ coupled with a change in $x = -4$

a change in $y =$

a change in $y = 2$ coupled with a change in $x = 0$

a change in $y = 6$ coupled with a change in $x =$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

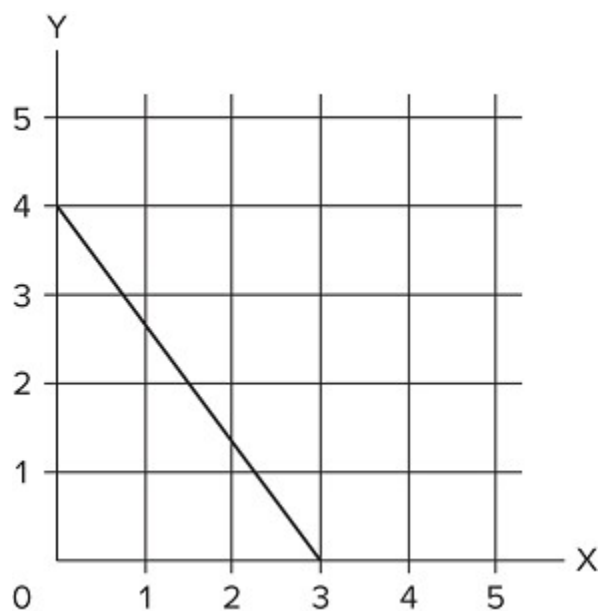
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-536 Which of the following suggests...



In the diagram, the vertical intercept and slope are 4 and $+\frac{3}{4}$ respectively.

3 and $+\frac{3}{4}$ respectively.

3 and $-\frac{11}{3}$ respectively.

4 and $-\frac{1}{3}$ respectively.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-509 In the diagram, the...

Rebecca likes to read in her spare time. If not reading, Rebecca also likes to do yoga, take walks on the beach, go wine tasting, and text with friends. Suppose that today she only has time for one of those activities, and if she reads, Rebecca will get 50 units of satisfaction ("utils"). She will get 30 utils from doing yoga, 40 utils walking on the beach, 25 utils wine tasting, and 35 utils texting with friends. Based on this information, if Rebecca reads today, what is the opportunity cost of her decision?

the utility from walking on the beach.

the utility from doing yoga.

the utility from all the other activities combined.

the utility from texting with friends.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-50 Rebecca likes to read in...

A normative statement is one that

is based on the law of averages.

applies only to macroeconomics.

is based on value judgments.

applies only to microeconomics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-96 A normative statement is one...

The production possibilities curve shows various combinations of two products that an economy can produce when achieving full employment.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-420 The production possibilities curve shows...

Which of the following illustrates a macroeconomic question?

What is the least costly way to produce automobiles and trucks in the United States?

Should the salaries of financial executives be regulated by the government?

Are increasing wage demands by workers contributing to price inflation?

Will the introduction of a new computer chip change the demand for computers?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-109 Which of the following illustrates...

"The inflation rate is the highest it has been in 40 years." This is an example of a positive statement.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-411 "The inflation rate is the...

The role of an assumption in an economic theory is to

prove the theory.

simplify the complex reality.

cover special cases.

add realism.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-82 The role of an assumption...

Which of the following would produce an outward shift of the production possibilities curve?

increased government spending

reducing unemployment

innovations that create new product designs

better matching of worker skills to available jobs

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-196 Which of the following would...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

West Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						
East Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the tables. Suppose that West Podunk is producing 4 units of capital goods and 20 units of consumer goods, while East Podunk is producing 2 units of capital goods and 36 units of consumer goods. We can conclude that

East Podunk is fully and efficiently using its resources, but West Podunk is not.

neither East Podunk nor West Podunk is fully and efficiently using its resources.

both East Podunk and West Podunk are fully and efficiently using their resources.

West Podunk is fully and efficiently using its resources, but East Podunk is not.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-257 (Algo) Answer the question on the...

The law of increasing opportunity costs is reflected in a production possibilities curve that is bowed in toward the origin.

a downward-sloping straight line.

bowed out from the origin.

an upward-sloping straight line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-274 The law of increasing opportunity...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that Duckistan and Herbania are each producing 14 units of civilian goods and 2 units of military goods. Then neither Duckistan nor Herbania is fully employing its resources.

Herbania is fully employing its resources, but Duckistan is not.

Duckistan is fully employing its resources, but Herbania is not.

both Duckistan and Herbania are fully employing their resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-229 Refer to the tables. Suppose that" instead of...

Purposeful behavior implies that everyone will make identical choices.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

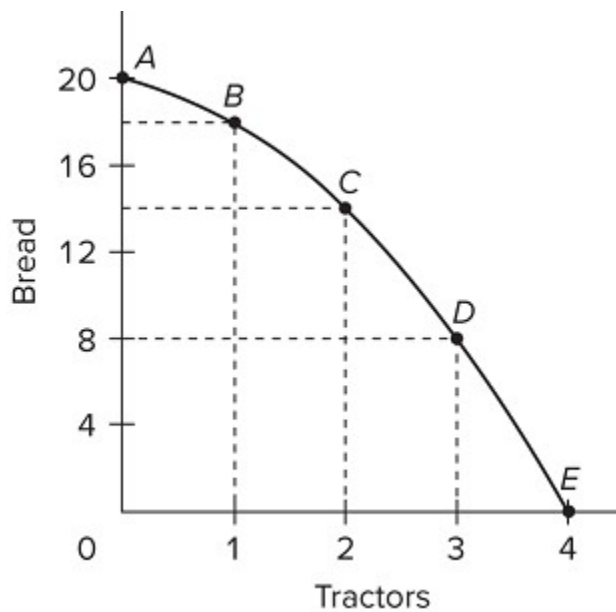
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-415 Purposeful behavior implies that everyone...



Refer to the diagram. This production possibilities curve is constructed so that the opportunity cost of tractors increases as more bread is produced.

the opportunity costs of both bread and tractors increase as more of each is produced.

resources are presumed to be perfectly shiftable between bread and tractors.

the opportunity cost of bread diminishes as more bread is produced.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-232 Refer to the diagram....

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		
Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Opportunity costs of producing military goods are smaller in Duckistan than Herbania.

increasing in Duckistan but constant in Herbania.

constant in both Duckistan and Herbania.

larger in Duckistan than in Herbania.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-227 Refer to the tables. Suppose that" instead...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. The variables are directly related in data sets 1, 2, and 5 only.

none of the data sets.

all five data sets.

data sets 1, 2, and 3 only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-498 Answer the question on the...

Write a brief definition of economics.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

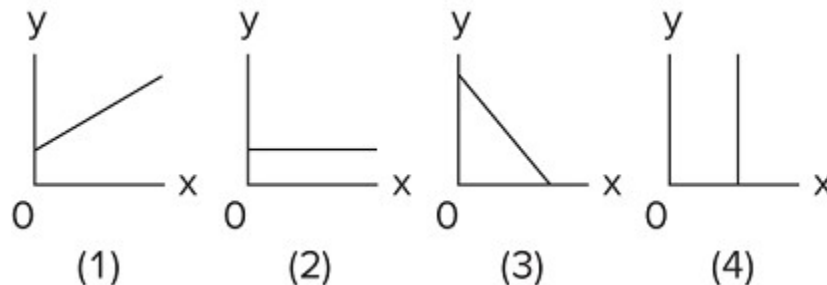
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-564 Write a brief definition of...



Assuming that the prices of goods X and Y, as well as income, are positive and fixed, which of the above graphs could represent a budget line for this consumer?

3 only

1 only

both 2 and 4.

Any of the four graphs could represent the budget line

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-138 Assuming that the prices...

The negative slope of the production possibilities curve is a graphical way of indicating that any economy "can have its cake and eat it too."

to produce more of one product, we must do with less of another.

the principle of increasing opportunity costs applies to only parts of the economy.

consumers buy more when prices are low than when prices are high.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-242 The negative slope of the...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

Refer to the table. The opportunity cost of the third unit of capital goods is lower in East Podunk than in West Podunk.

is the same in West Podunk and East Podunk.

cannot be determined from the information provided.

is higher in East Podunk than in West Podunk.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

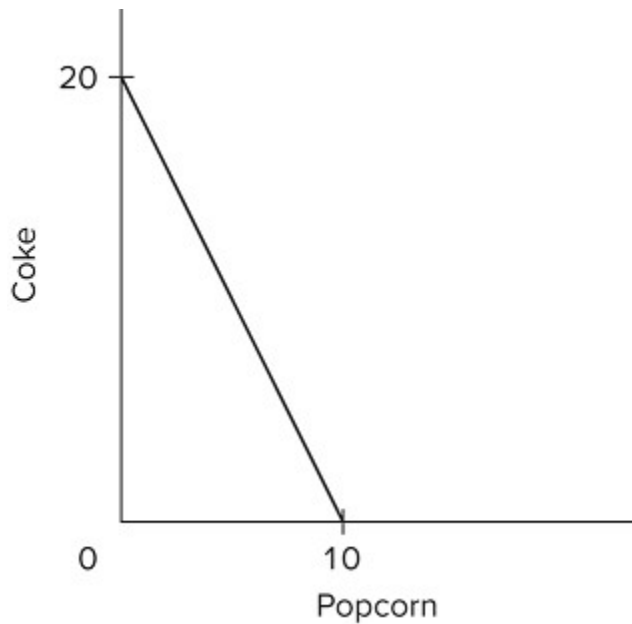
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-259 Answer the question on the...



Suppose you have a money income of \$50, all of which you spend on Coke and popcorn. In the diagram, the prices of Coke and popcorn, respectively, are \$5.00 and \$10.00.

\$5.00 and \$2.50.

\$2.50 and \$5.00.

\$0.40 and \$0.20.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-137 (Algo) Suppose you have...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. Which of the following production alternatives would be expected to generate more future growth?

- alternative E
- alternative F
- alternative C
- alternative D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-210 Answer the question on the...

- If the marginal benefit of a good is less than its marginal cost, then the nation should
- reduce the production of that good.
 - produce more of that good.
 - reduce the marginal benefit of that good.
 - maintain the current level of production of that good.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-342 If the marginal benefit of...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

In moving from combination C to B, the opportunity cost of producing 100 more autos is
1 unit of tanks.

850 units of autos.

1,800 units of autos.

2 units of tanks.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-313 A nation can produce two...

A nation can increase its production possibilities by

shifting resources to produce more consumer goods and less investment goods.

eliminating unemployment.

shifting resources from private goods to public goods.

improving labor productivity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-389 A nation can increase its...

Macroeconomics approaches the study of economics from the viewpoint of

individual firms.

the operation of specific product and resource markets.

governmental units.

the entire economy.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-86 Macroeconomics approaches the study of...

Kara was out jogging and, despite being tired, decided to run one more mile. Based on her actions, economists would conclude that Kara

decided that the marginal benefit of running one more mile would outweigh the cost of the additional mile.

was not really very tired, so the marginal cost of the extra mile was very low.

must be an avid runner.

decided that the marginal cost of running one more mile would outweigh the benefit of the additional mile.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-31 Kara was out jogging and,...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. What is the slope of the budget line if the quantity of apples were measured on the horizontal axis and bananas on the vertical axis?

−0.5

−1.6

−2

−0.8

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-158 (Algo) Assume that a consumer has...

When a nation is under-allocating resources to the production of a good, then the

marginal benefit is less than the marginal cost of the good.

marginal benefit of producing the good is increasing.

marginal benefit is greater than the marginal cost of the good.

marginal cost of producing the good is decreasing.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-334 When a nation is under-allocating...

Which of the following will *not* produce an outward shift of the production possibilities curve?

improved education that enhances worker productivity

better matching existing worker skills to available jobs

invention of a new pharmaceutical product

professional musicians producing new songs

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-197 Which of the following will...

The production possibilities curve is a graph of

various combinations of goods and services among which consumers are indifferent in terms of preference.

the maximum amounts of labor and capital resources available for production.

the maximum amount of capital and labor that the economy can employ.

the maximum combinations of products that can be produced with the available resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-298 The production possibilities curve is...

Economic analysis is primarily concerned with marginal changes from the status quo, as a result of a certain action or decision.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-442 Economic analysis is primarily concerned...

Entrepreneurship refers to a new college graduate who is looking for a job with a large company.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

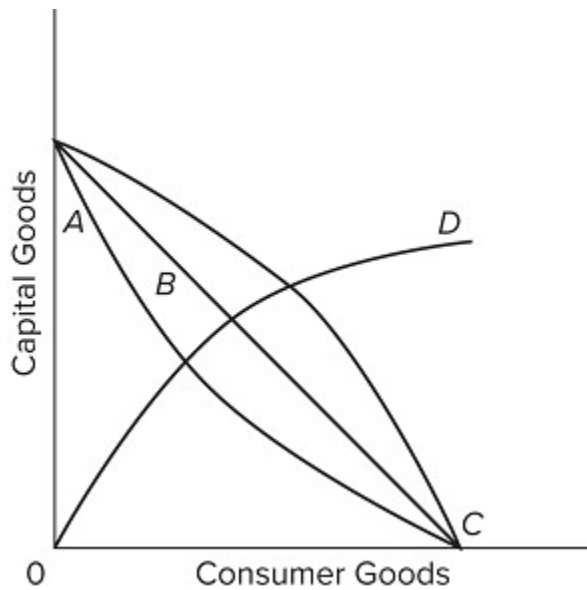
Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-459 Entrepreneurship refers to a new...



Refer to the diagram. Curve B is a technology frontier curve.

demand curve indicating that the quantity of consumer goods demanded increases as the price of capital falls.

production possibilities curve indicating increasing opportunity costs.

production possibilities curve indicating constant opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-269 Refer to the diagram....

One basic difference between "labor" and "entrepreneur" is that

an entrepreneur has high-level skills, whereas labor does not.

labor performs manual work, whereas an entrepreneur performs mental work.

labor is hired by a firm, whereas the entrepreneur owns the firm.

education is important for an entrepreneur but not for labor.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-193 One basic difference between "labor"...

In economics, the pleasure, happiness, or satisfaction received from a product is called
marginal cost.

utility.

rational outcome.

status fulfillment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-02 In economics, the pleasure, happiness,...

The present choice of position on the production possibilities curve will not influence the future
location of the curve.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

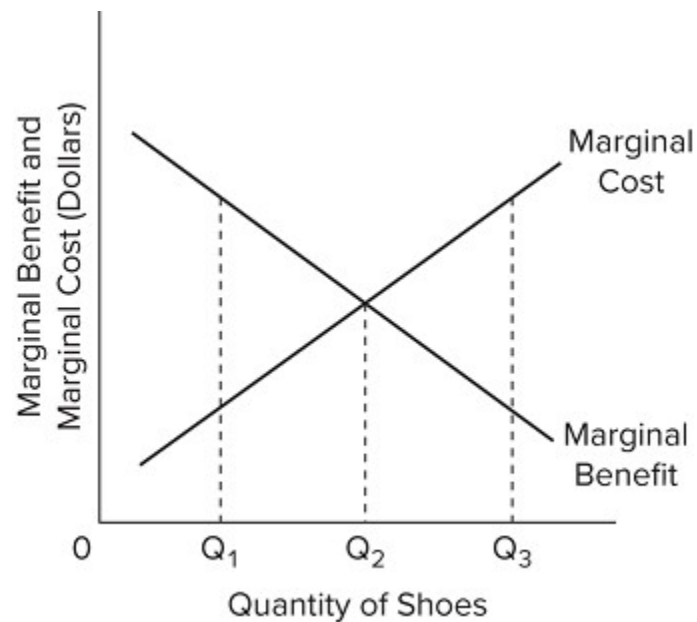
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-429 The present choice of position...



Refer to the diagram for athletic shoes. If the current output of shoes is Q₁, then resources are being allocated efficiently to the production of shoes.

society would consider additional units of shoes to be more valuable than alternative uses of those resources.

society would experience a net loss by producing more shoes.

society would consider additional units of shoes to be less valuable than alternative uses of those resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

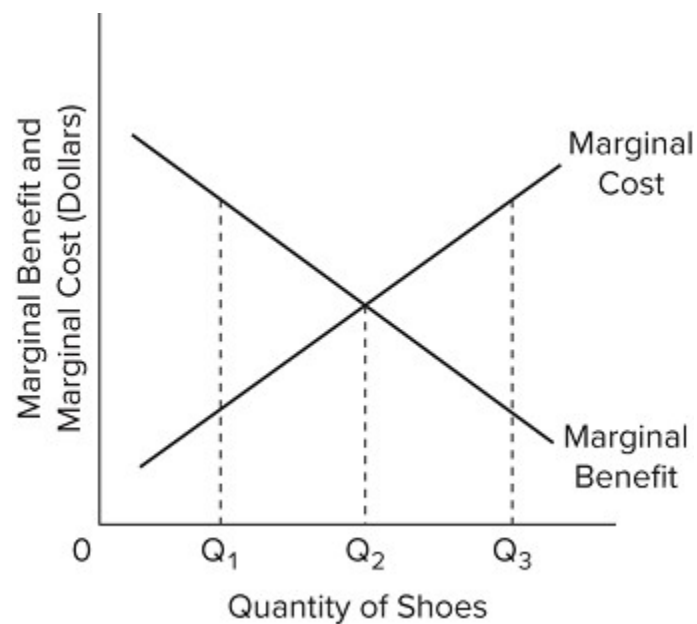
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-287 Refer to the diagram...



Refer to the diagram for athletic shoes. Which of the following would change the optimal quantity to Q₁?

An increase in the marginal cost of athletic shoes.

Q₁ is already the optimal quantity.

A decrease in the marginal cost of athletic shoes.

An increase in the marginal benefit of athletic shoes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-285 (Algo) Refer to the...

Which of the following is a normative economic statement?

The poverty rate hit a new high last year and income inequality also increased.

Health care accounts for roughly a third of total spending in the economy.

The government needs to revamp the Social Security program to make it sustainable.

Retail sales are expected to continue on their downward trend in the next three quarters.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-119 Which of the following is...

Macroeconomics explains the behavior of individual households and business firms;
microeconomics is concerned with the behavior of aggregates or the economy as a whole.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-414 Macroeconomics explains the behavior of...

Rebecca likes to read in her spare time. If not reading, Rebecca also likes to do yoga, take walks on the beach, go wine tasting, and text with friends. Suppose that today she only has time for one of those activities, and suppose that if she reads, Rebecca will get 50 units of satisfaction ("utils"). She will get 30 utils from doing yoga, 40 utils walking on the beach, 25 utils wine tasting, and 35 utils texting with friends. Based on this information, today we expect that Rebecca will

read.

do yoga.

text with friends.

walk on the beach.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-49 Rebecca likes to read in...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

Refer to the table. If East Podunk is producing at production alternative D, the opportunity cost of the third capital good will be

36 consumer goods.

3 consumer goods.

9 consumer goods.

27 consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-254 (Algo) Answer the question on the...

The marginal-cost curve is

upward-sloping because of increasing marginal opportunity costs.

upward-sloping because successive units of a specific product yield less and less extra utility.

downward-sloping because of increasing marginal opportunity costs.

downward-sloping because successive units of a specific product yield less and less extra utility.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-279 The marginal-cost curve is...

The study of global businesses such as Apple Inc. is one major focus of macroeconomic analysis.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

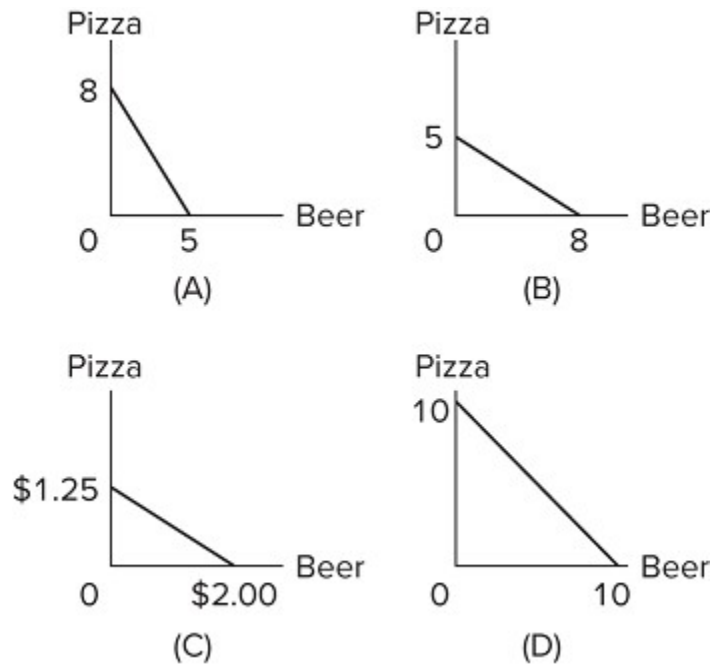
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-448 The study of global businesses...



Refer to the graphs. Assume that pizza is measured in slices and beer in pints. In which of the graphs is the opportunity cost of a pint of beer the lowest?

graph C

graph D

graph B

graph A

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-144 Refer to the graphs....

Which one of the following expressions best states the idea of opportunity cost?

"He who hesitates is lost."

"There is no such thing as a free lunch."

"All that glitters is not gold."

"A penny saved is a penny earned."

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

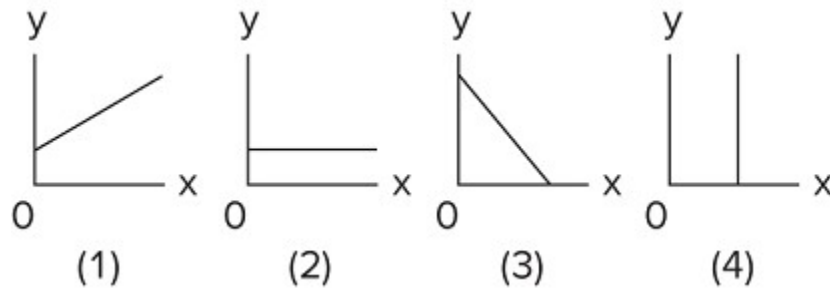
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-26 Which one of the following...



Answer on the basis of the relationships shown in the four figures. The amount of y is inversely related to the amount of x in

1 only.

2 only.

both 1 and 3.

3 only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

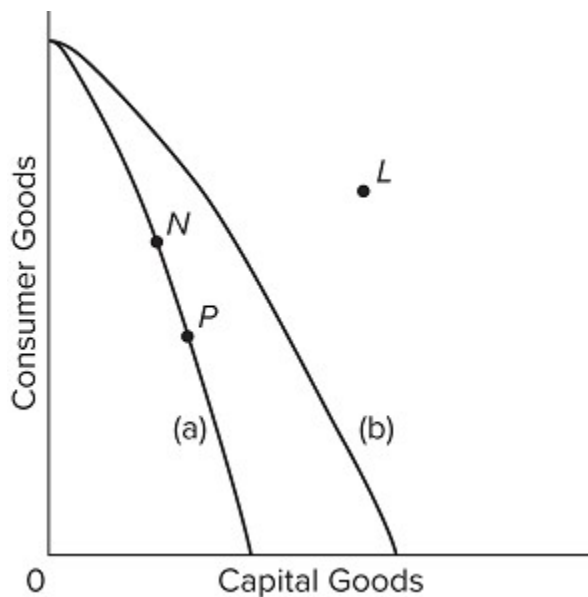
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-478 Answer on the basis...



Refer to the provided production possibilities curves. Curve (a) is the current curve for the economy. Focusing on curve (a), point N suggests that the economy currently produces more goods for the future than at point P.

fewer goods for the present than at point P.

fewer goods for the future than at point P.

a combination of output that is less than its potential.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

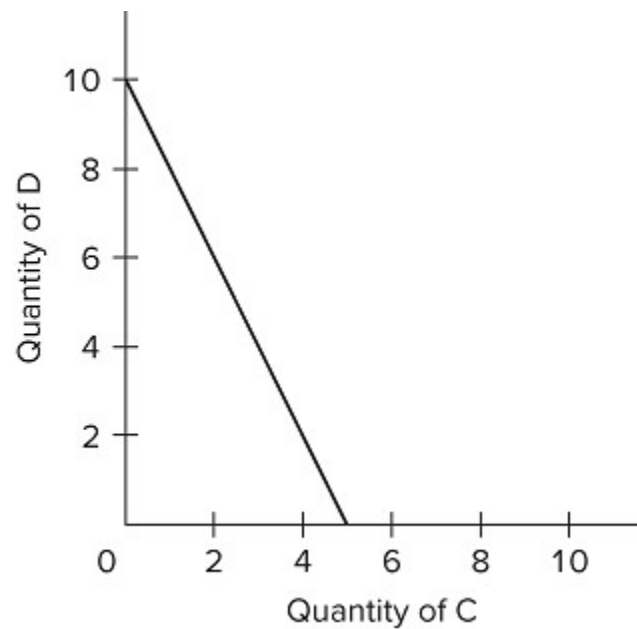
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-383 Refer to the provided...



Refer to the budget line shown in the diagram. The absolute value of the slope of the budget line is

ten.

five.

one-half.

two.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-130 Refer to the budget...

In a two-dimensional graph showing the relationship between income and consumption in the economy, what is shown on the vertical axis and what is shown on the horizontal axis?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-588 In a two-dimensional graph showing...

Which of the following will enable a nation to obtain a combination of consumer goods and capital goods outside its production possibilities curve?

full production

international specialization and trade

productive efficiency

full employment

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-361 Which of the following will...

Answer the question on the basis of the following production possibilities tables for two countries, North Cantina and South Cantina.

North Cantina Production Possibilities		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
South Cantina Production Possibilities		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

Refer to the tables. Suppose that resources in North Cantina and South Cantina are identical in quantity and quality. We can conclude that North Cantina is growing more rapidly than South Cantina.

South Cantina has better technology than North Cantina in producing both capital and consumer goods.

North Cantina has better technology than South Cantina in producing consumer goods but not capital goods.

North Cantina has better technology than South Cantina in producing both capital and consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-252 Answer the question on the...

Any point inside the production possibilities curve indicates that

the economy needs more resources to increase production.

resources are not currently being put to their best uses.

government policy is restriction production.

technology must improve for the economy to produce more.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-218 Any point inside the production...

Given: the intercept for a straight line is 12. If the value of the independent variable is 3, then the value of the dependent variable would be 18. The slope of this line is

2.

- 1.
- 4.
- 3.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-552 Given: the intercept for a...

(Consider This) What is the best economic explanation for why a person would drop out of college in order to start a business?

The person has a good idea for starting a business.

The opportunity cost of starting a business is high now but will be low later in life.

The expected future benefits from starting a business now are greater than the costs.

The person has to pay a higher tuition to attend college.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-396 (Consider This) What is the...

Economists

measure the slope of a line differently than do mathematicians.

always put the independent variable on the horizontal axis and the dependent variable on the vertical axis.

are somewhat arbitrary in assigning independent and dependent variables to the horizontal and vertical axes.

always put the dependent variable on the horizontal axis and the independent variable on the vertical axis.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-469 Economists...

Answer the question on the basis of the following information. Assume that if the interest rate that businesses must pay to borrow funds were 20 percent, it would be unprofitable for businesses to invest in new machinery and equipment, so investment would be zero. But if the interest rate were 16 percent, businesses would find it profitable to invest \$10 billion. If the interest rate were 12 percent, \$20 billion would be invested. Assume that total investment continues to increase by \$10 billion for each successive 4 percentage point decline in the interest rate.

(A)		(B)	
i	I	i	I
20	\$50	24	\$10
16	40	20	20
12	30	16	30
8	20	12	40
4	10	8	50
0	0	4	60
(C)		(D)	
i	I	i	I
20	\$0	20	\$10
16	10	16	20
12	20	12	30
8	30	8	40
4	40	4	50
0	50	0	60

Refer to the information. Using i and I to indicate the interest rate and investment (in billions of dollars) respectively, which of the following is the correct tabular presentation of the described relationship?

option C

option A

option B

option D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

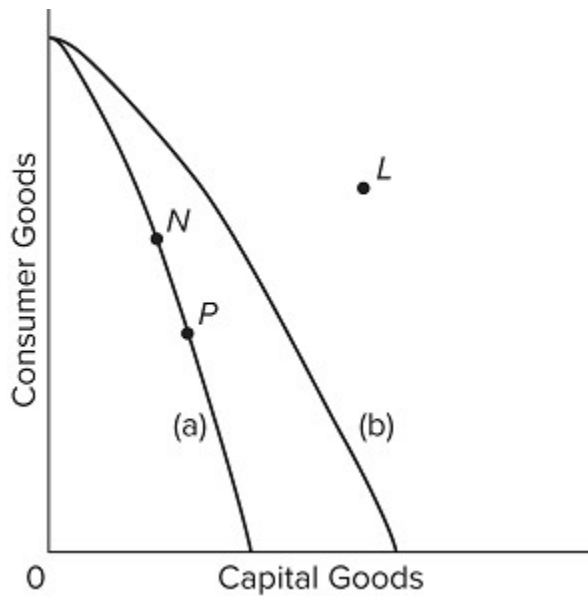
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-481 Answer the question on the...



Refer to the provided production possibilities curves. Curve (a) is the initial curve for the economy, and the nation is initially producing combination P. A shift from curve (a) to curve (b) suggests that the economy can then increase its production of capital goods and consumer goods simultaneously.

only if it reduces its production of consumer goods.

but will have to hold constant its production of consumer goods.

so as to produce the combination L.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

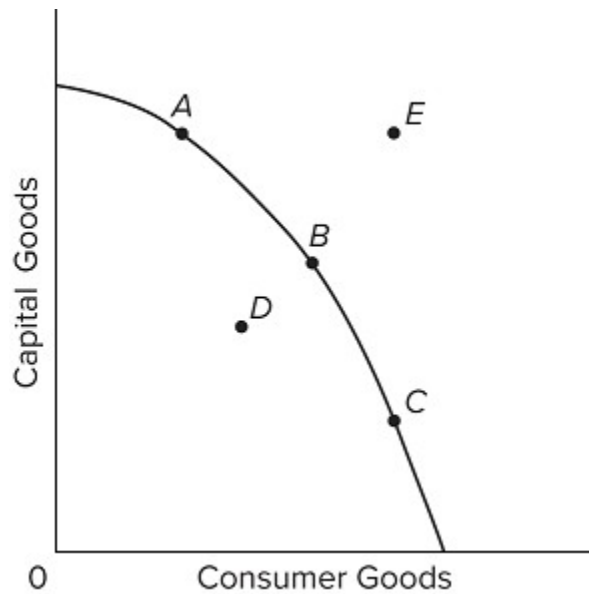
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-384 Refer to the provided...



Refer to the diagram. Other things equal, this economy will shift its production possibilities curve outward the most if the ratio of capital to consumer goods is minimized.

it chooses point A.

it chooses point B.

it chooses point C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

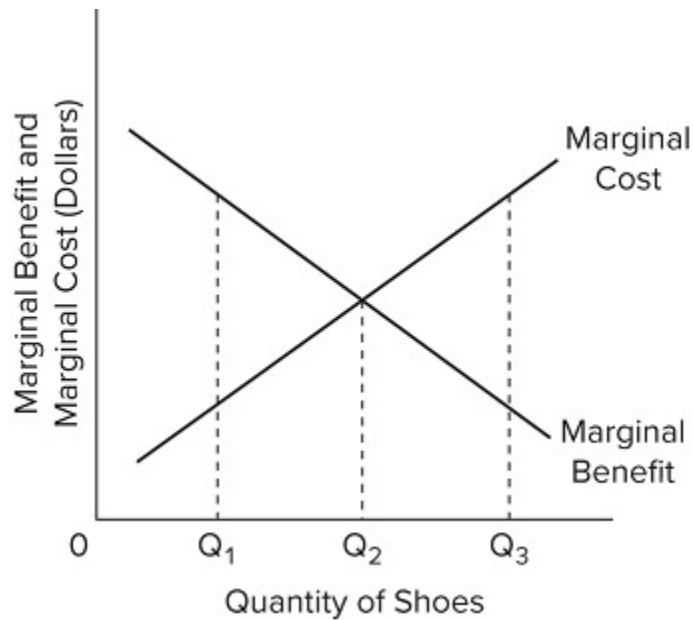
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-219 Refer to the diagram....



Refer to the diagram for athletic shoes. If the current output of shoes is Q_3 , then society should produce more shoes to achieve the optimal allocation of resources.

shoes are more valuable to society than alternative products.

society should produce fewer shoes to achieve the optimal allocation of resources.

resources are being allocated efficiently to the production of shoes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-289 Refer to the diagram...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14	1	
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Opportunity costs are larger in Duckistan than in Herbania.

constant in both Duckistan and Herbania.

increasing in Duckistan and constant in Herbania.

increasing in both Duckistan and Herbania.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

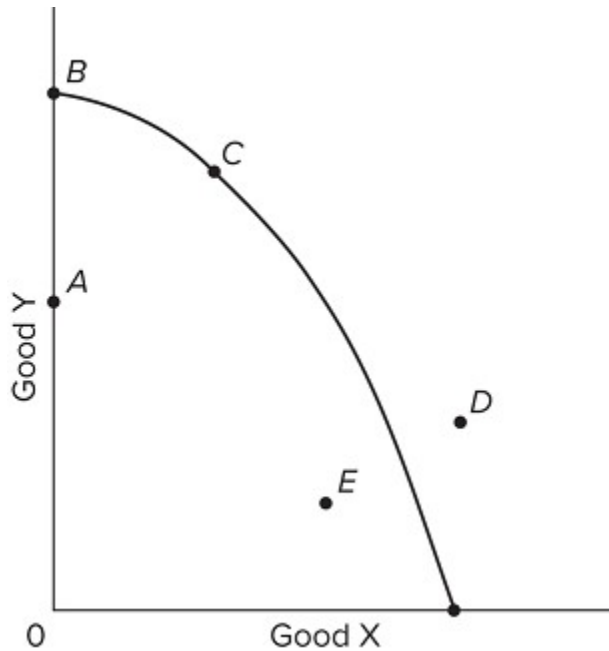
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-228 Refer to the tables. Suppose that" instead of...



The graph provided shows the production possibilities curve for an economy producing two goods, X and Y. All of the following may allow the economy to produce combination D in the future, except technological advances.

increasing labor supply.

lower unemployment.

economic growth.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

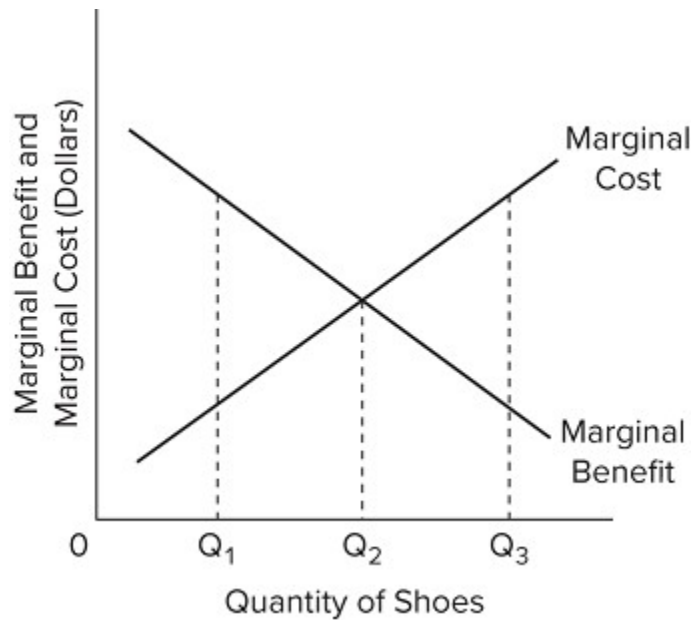
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-369 The graph provided shows...



Refer to the diagram for athletic shoes. If the current output of shoes is Q_3 , then society would experience a net gain by producing more shoes.

resources are being allocated efficiently to the production of shoes.

society would consider additional units of shoes to be less valuable than alternative uses of those resources.

society would consider additional units of shoes to be more valuable than alternative uses of those resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-287 (Algo) Refer to the diagram for athletic shoes....

The process of producing and accumulating capital is called depreciation.

investment.

consumption.

money capital.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-177 The process of producing and...

The budget line shows the various incomes that an individual can earn from different jobs.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individual's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-453 The budget line shows the...

The process by which capital goods are accumulated is known as investment.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

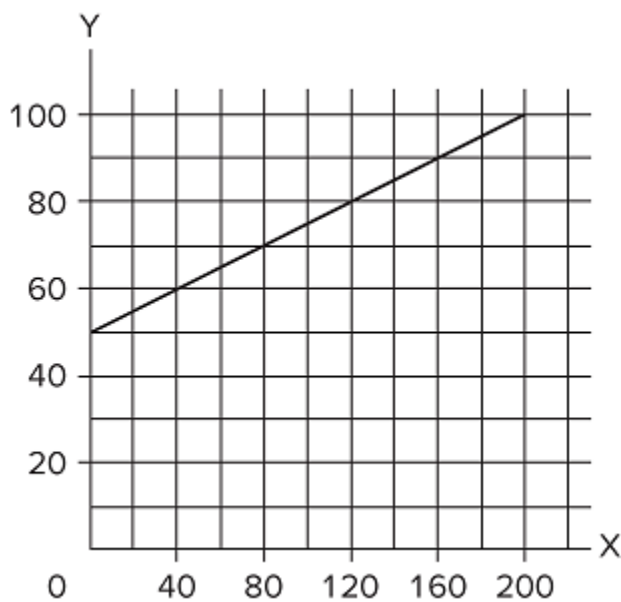
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-427 The process by which capital...



Refer to the diagram. The slope of the line is 0.40.

is $+\frac{1}{4}$.

cannot be determined from the information given.

is $-\frac{1}{4}$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-490 Refer to the diagram....

Oksana enjoys footraces, entering multiple races each year. Her annual budget for entry fees is \$600. The two distances Oksana likes to run are marathons, which cost \$100 each, and 10K races that cost \$40 each. Which combination of races can Oksana afford in a given year that will exactly exhaust her budget for entry fees?

four marathons and two 10Ks

two marathons and ten 10Ks

one marathon and ten 10Ks

three marathons and eight 10Ks

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-148 Oksana enjoys footraces, entering multiple...

Answer the question on the basis of the following information. Assume that if the interest rate that businesses must pay to borrow funds were 20 percent, it would be unprofitable for businesses to invest in new machinery and equipment, so investment would be zero. But if the interest rate were 16 percent, businesses would find it profitable to invest \$10 billion. If the interest rate were 12 percent, \$20 billion would be invested. Assume that total investment

continues to increase by \$10 billion for each successive 4 percentage point decline in the interest rate.

Refer to the information. Which of the following is an accurate verbal statement of the described relationship?

Investment spending by businesses varies directly with the interest rate.

There is no regular or dependable relationship between business investment and the interest rate.

The amount of business investment is unaffected by changes in the interest rate.

Investment spending by businesses varies inversely with the interest rate.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-480 Answer the question on the...

A nation's production possibilities curve shows the maximum combinations of resources that a nation can use.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-463 A nation's production possibilities curve...

Which of the following is a positive statement?

The ideal inflation rate is 2 percent.

U.S. Inflation is the highest it has been in 40 years.

The Fed should work to reduce inflation.

High inflation is better than high unemployment.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Difficulty : 02 Medium

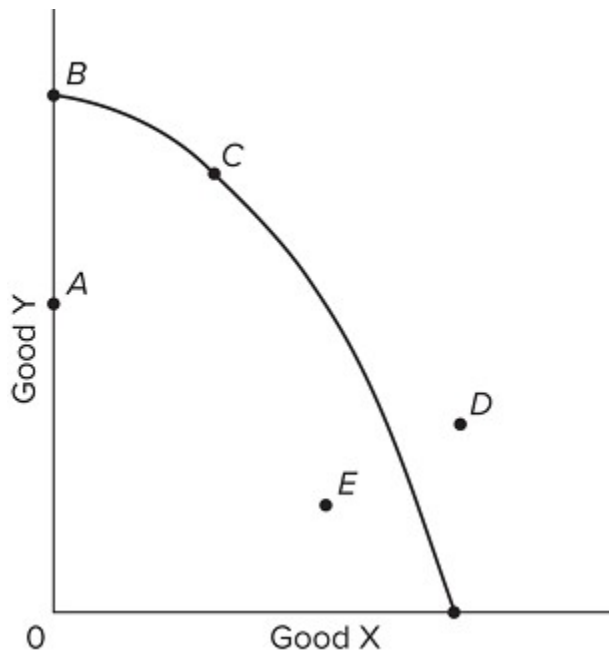
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-98 (Algo) Which of the following is...



Refer to the provided graph. Which of the following movements would indicate economic growth?

from point A to point E

from point A to point C

from point C to point D

from point B to point C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-370 Refer to the provided...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			20	36	48	56	60
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			15	27	36	42	45

Refer to the tables. Suppose that West Podunk is producing 4 units of capital goods and 20 units of consumer goods, while East Podunk is producing 3 units of capital goods and 24 units of consumer goods. We can conclude that

East Podunk is fully and efficiently using its resources, but West Podunk is not.

both East Podunk and West Podunk are fully and efficiently using their resources.

neither East Podunk nor West Podunk is fully and efficiently using its resources.

West Podunk is fully and efficiently using its resources, but East Podunk is not.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-257 Answer the question on the...

Answer the question on the basis of the following production possibilities table for two countries, North Cantina and South Cantina.

	North Cantina Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						
	South Cantina Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. The opportunity cost of the fifth unit of capital goods cannot be determined from the information provided.

is lower in North Cantina than in South Cantina.

is higher in North Cantina than in South Cantina.

is the same in North Cantina and South Cantina.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-253 Answer the question on the...

The table below shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

Suppose Taran can only watch one of his favorite teams play. Assuming the cost to watch each team is the same and he watches his favorite team, what is the opportunity cost of watching his favorite team?

watching the Seattle Sounders

watching the Seattle Storm

watching the Seattle Mariners

watching Manchester United

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-01 Define economics and explain the economic perspective.

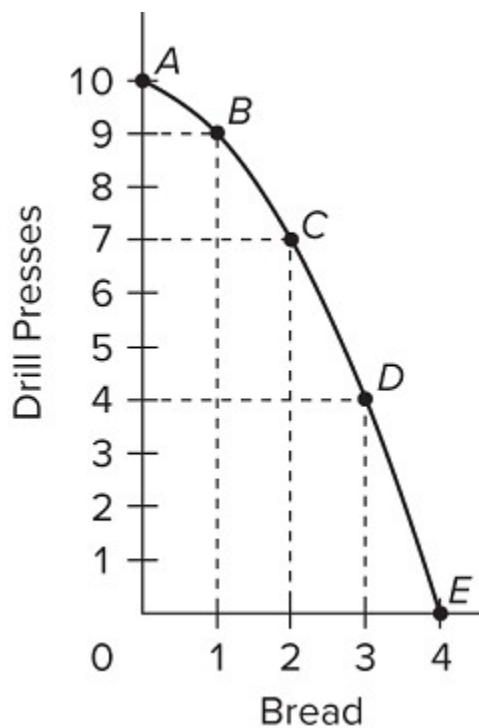
Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-60 The table below shows how...

The following graph is the production possibilities curve of a nation.



Which of the following combinations would be unattainable?

8 drill presses and 1 bread

10 drill presses and 4 bread

7 drill presses and 2 bread

2 drill presses and 3 bread

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Analytical Thinking

Difficulty : 02 Medium

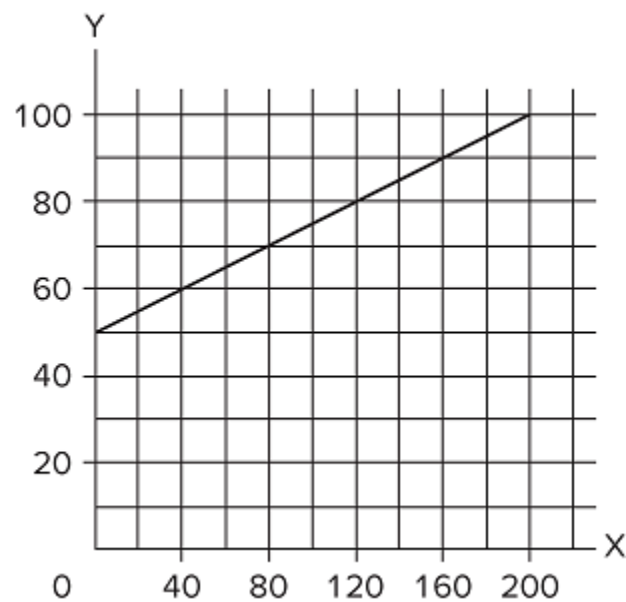
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-322 The following graph is the...



Refer to the diagram. The equation that shows the relationship between Y and X is
 $Y = 50 + \frac{1}{4} X$.

$Y = \frac{1}{4} X - 50$.

$X = \frac{1}{4} Y$.

$Y = 0.4X$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-491 Refer to the diagram....

"Economics is concerned with how individuals, institutions, and society make optimal choices under conditions of scarcity." This statement is

positive but incorrect.

normative but incorrect.

positive and correct.

normative and correct.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-103 "Economics is concerned with how...

Purposeful behavior implies that everyone using marginal analysis will always make correct choices.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-416 Purposeful behavior implies that everyone...

A point outside (to the right of) the production possibilities curve of a nation

implies that this nation is using its resources fully.

implies that there are unemployed resources in this nation.

is not attainable for this nation.

is easily attainable for this nation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-320 A point outside (to the...

The production possibilities curve shows

the ideal, but unattainable, combinations of two goods that would maximize consumer satisfaction.

the various combinations of two goods that can be produced when some resources are unemployed.

the minimum outputs of two goods that will sustain a society.

the various combinations of two goods that can be produced when society employs all of its scarce resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-241 The production possibilities curve shows...

The economizing problem is one of deciding how to make the best use of
limited resources to satisfy virtually unlimited wants.

unlimited resources to satisfy limited wants.

limited resources to satisfy limited wants.

virtually unlimited resources to satisfy virtually unlimited wants.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-122 The economizing problem is one...

Why are economic theories and principles purposeful simplifications?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : III

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-570 Why are economic theories and...

Answer the question on the basis of the following data.

After-Tax Income	Consumption
\$ 1,000	\$ 900
2,000	1,800
3,000	2,700
4,000	3,600
5,000	4,500

The data indicate that
a tax reduction will reduce consumption.

consumers spend 80 percent of their after-tax incomes.

the relationship between consumption and after-tax income is random.

consumers spend 90 percent of their after-tax incomes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-485 Answer the question on the...

In a linear equation relating price and quantity demanded where quantity demanded is the dependent variable, the intercept is 300 and the slope of the line is negative 20. If price is \$5, then quantity demanded is

20.

100.

200.

300.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-554 In a linear equation relating...

Answer the question on the basis of the following production possibilities table for two countries, North Cantina and South Cantina.

		North Cantina Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			10	18	24	28	30
		South Cantina Production Possibilities					
		A	B	C	D	E	F
Capital Goods				3	2	1	0
Consumer Goods				15	21	25	27

- Refer to the table. If South Cantina is producing at production alternative D, the opportunity cost of the third unit of capital goods will be
- 4 units of consumer goods.
 - 5 units of consumer goods.
 - 6 units of consumer goods.
 - 3 units of consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-249 Answer the question on the...

Assume that a change in government policy results in greater production of both consumer goods and investment goods. We can conclude that

the law of increasing opportunity costs does not apply in this society.

the economy was not employing all of its resources before the policy change.

the economy's production possibilities curve has been shifted to the left as a result of the policy decision.

this economy's production possibilities curve is convex (bowed inward) to the origin.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-214 Assume that a change in...

In deciding whether to study for an economics quiz or go to a concert, one is confronted by the idea(s) of

complementary economic goals.

full production.

scarcity and opportunity costs.

money and real capital.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-25 In deciding whether to study...

An increase in money income

shifts the consumer's budget line to the right.

shifts the consumer's budget line to the left.

increases the slope of the budget line.

has no effect on the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-132 An increase in money income...

Anil manages a golf course. He observes that in the week following an exciting finish to a major professional golf tournament (for example, the Masters or British Open), more people show up at his course wanting to play rounds of golf. He doesn't know if the increased interest in playing is because it was an exciting finish, a major event, or something else. If Anil wants to apply the scientific method to increase his understanding, he should

begin making management decisions based on this observation because it likely points to a predictable phenomenon.

not waste his time on the issue because there are too many factors to consider.

continue observing tournament results and golf course rounds played and form a hypothesis about the relationship.

assume that other factors don't matter and solely concentrate on finishing results from major tournaments.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-80 Anil manages a golf course....

(Consider This) What two lessons can we learn from Facebook's "free" service?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-567 (Consider This) What two lessons...

If a linear relation is described by the equation $C = 35 - 5D$, then the vertical intercept of the graph (where C is on the vertical axis) is

−5.

35.

not known.

30.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-546 If a linear relation is...

An economy will always operate at some point on its production possibilities curve.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-435 An economy will always operate...

Which of the following is most accurate about economists' view of purposeful behavior?

While people undertake actions with a purpose, they rarely give much thought to the costs of their actions.

People are inherently greedy with no regard for the well-being of others.

Purposeful behavior makes people immune from faulty logic.

Pursuing self-interest sometimes includes making personal sacrifices for others.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-06 Which of the following is...

Economic growth in a fully employed economy is a result of

an increase in the opportunity costs of production.

a reduction in the unemployment rate.

an increase in the supply of resources.

a decrease in the demand for resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-378 Economic growth in a fully...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			20	36	48	56	60
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			15	27	36	42	45

- Refer to the tables. If West Podunk is producing at production alternative C, the opportunity cost of the thirty-seventh unit of consumer good will be
- 12 units of capital goods.
 - 16 units of capital goods.
 - 1/16 of a unit of capital goods.
 - 1/12 of a unit of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

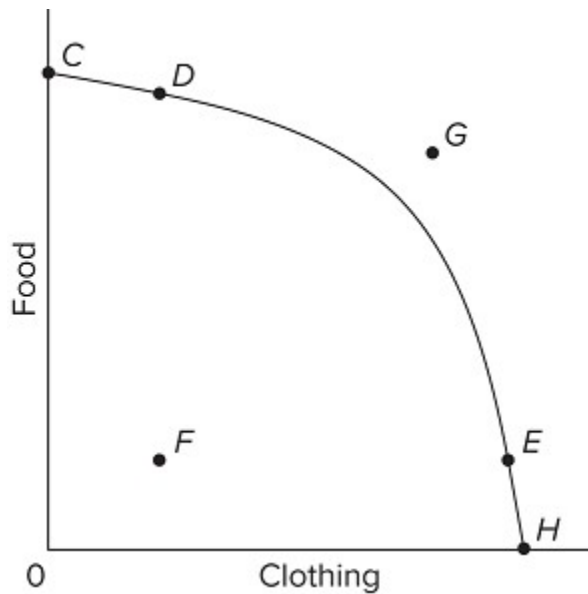
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-256 Answer the question on the...



Refer to the provided graph. Which of the following movements would indicate a reduction in unemployment and an increase in capacity utilization?

from point D to point G

from point F to point H

from point E to point D

from point C to point D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-374 Refer to the provided...

Suppose that Hideki's budget for entertainment is \$120 per month. His entertainment choices in town include movies that cost \$12 each and rounds of golf that cost \$20 each. Based on this information, we can conclude that Hideki

should only play golf, since that typically lasts longer than a movie.

can go to 10 movies and play 6 rounds of golf per month.

can go to 10 movies or play 6 rounds of golf per month.

should only go to the movies, since that is the cheaper option.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-146 (Algo) Suppose that Hideki's budget for...

Which of the following statements pertains most directly to macroeconomics?

Because the minimum wage was raised, Mrs. Olsen decided to enter the labor force.

The Pumpkin Center State Bank increased its interest rate on consumer loans by one percentage point.

National income grew by 2.7 percent last year.

A decline in the price of soybeans caused farmer Wanek to plant more wheat.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-89 Which of the following statements...

Suppose that an economy is producing on its production possibilities curve but is not producing quantities of each good where the marginal benefit equals the marginal cost for each good. This economy

can improve its allocation by producing more of both goods.

can improve its allocation by producing more of one good and less of the other.

can improve its allocation by lowering the unemployment rate.

should not change its production, because it cannot improve its allocation by shifting resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-291 Suppose that an economy is...

Camille is at the candy store with Grandma Mary, who offers to buy her \$12 worth of candy. If lollipops are \$1 each and candy bars are \$4 each, what combination of candy can Camille's Grandma Mary buy her?

four lollipops and two candy bars

twelve lollipops and three candy bars

two lollipops and four candy bars

two lollipop and three candy bars

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

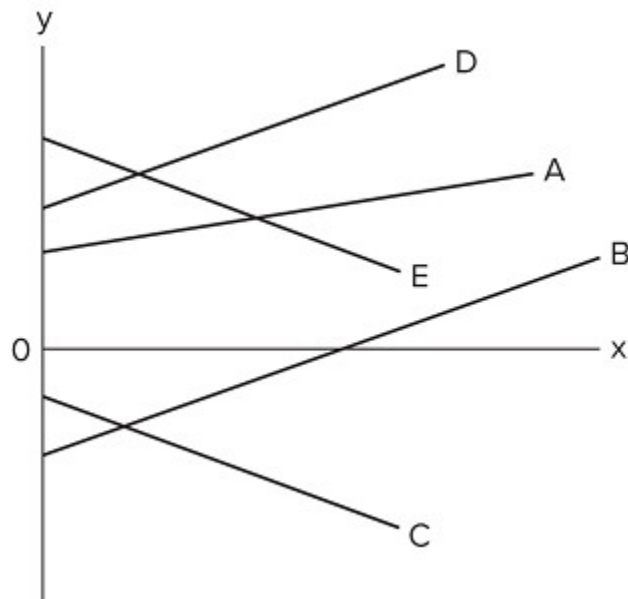
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-147 (Algo) Camille is at the candy...



Refer to the diagram. Which line(s) show(s) a negative relationship between x and y ?
both C and E

B and C

both A and D

A, B, and D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-472 Refer to the diagram....

Suppose that a fully employed economy produces only two goods, hamburgers and flat-panel TVs. If the economy is currently producing more than the optimal quantity of hamburgers, then to attain the optimal allocation of resources, it should

produce more TVs and fewer hamburgers.

produce more hamburgers and fewer TVs.

produce fewer of both goods.

produce more of both goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-290 Suppose that a fully employed...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

- Refer to the tables. If West Podunk is producing at production alternative E, the opportunity cost of the fifty-seventh consumer good will be
- 0 capital goods.
 - 4 capital goods.
 - 1/4 capital good.
 - 57 capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-256 (Algo) Answer the question on the...

A nation can produce two products: steel and wheat. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

The opportunity cost of producing the 56th unit of wheat is approximately
0 units of steel.

20 units of steel.

1 unit of steel.

1/20 of a unit of steel.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-306 (Algo) A nation can produce two...

How is the most valued or optimal point on the production possibilities curve determined?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : III

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-580 How is the most valued...

Ming is presented with four meal choices, of which she gets to choose one. Her order of preference is sushi, pizza, schnitzel, and curry. Assuming Ming chooses the sushi, what is the opportunity cost of her decision?

all three alternatives to the sushi

curry

pizza

schnitzel

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-57 Ming is presented with four...

A nation that devotes more of its resources to the production of capital goods rather than consumer goods is likely to

increase the slope of its production possibilities curve.

decrease the slope of its production possibilities curve.

cause its production possibilities curve to shift inward.

cause its production possibilities curve to shift outward.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-379 A nation that devotes more...

The optimal allocation of resources is found

where the marginal benefit is at its greatest.

where $MB = MC$.

where the marginal cost is at its lowest.

at every point along a production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-293 The optimal allocation of resources...

The assertion that "there is no free lunch" means that

all production involves the use of scarce resources and thus the sacrifice of alternative goods.

choices need not be made if behavior is rational.

there are always trade-offs between economic goals.

marginal analysis is used in economic reasoning.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-21 The assertion that "there is...

Which of the following terms implies the *least* degree of confidence in an economic generalization?

law

theory

principle

hypothesis

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-66 Which of the following terms...

When a state government chooses to build more roads, the resources used are no longer available for public education programs. This dilemma illustrates the concept of

unintended consequences.

production expenses.

opportunity cost.

unemployment issues.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-42 When a state government chooses...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Opportunity costs of producing civilian goods are larger in Duckistan than Herbania.

smaller in Duckistan than in Herbania.

increasing in Duckistan but constant in Herbania.

constant in both Duckistan and Herbania.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-227 (Algo) Refer to the tables. Opportunity...

Alex sees that his neighbors' lawns all need mowing. He offers to provide the service in exchange for a wage of \$20 per hour. Some neighbors accept Alex's offer and others refuse. Economists would describe Alex's behavior as

irrational because some neighbors refused his offer.

rational self-interest because he is attempting to increase his own income by identifying and satisfying someone else's wants.

selfish because he is asking for a wage that is higher than others might charge.

greedy because he is asking for a high wage that some of his neighbors can't afford to pay.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-30 Alex sees that his neighbors's lawns all need mowing. He offers to provide the service in exchange for a wage of \$20 per hour. Some neighbors accept Alex's offer and others refuse. Economists would describe Alex's behavior as

The production possibilities curve shows what combination of two products that an economy should produce.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

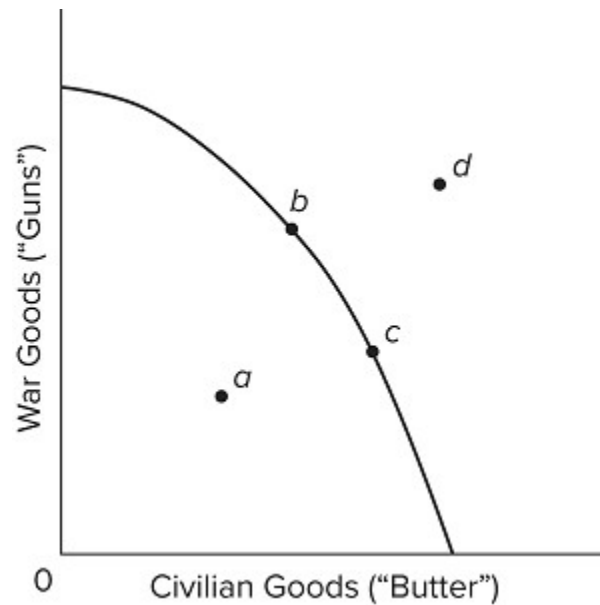
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-421 The production possibilities curve shows...



Refer to the production possibilities curve. At the onset of the Second World War, the Soviet Union was already at full employment. Its economic adjustment from peacetime to wartime can best be described by the movement from point

c to point d.

b to point c.

c to point b.

a to point b.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-240 Refer to the production...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

West Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods		4	3	2	1	0
Consumer Goods		20	36	48	56	60
East Podunk Production Possibilities						
	A	B	C	D	E	F
Capital Goods		4	3	2	1	0
Consumer Goods		15	27	36	42	45

Refer to the tables. If West Podunk is producing at production alternative C, the opportunity cost of the thirty-seventh unit of consumer goods will be

1/16 of a unit of capital goods.

1/12 of a unit of capital goods.

16 units of capital goods.

12 units of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-255 Answer the question on the...

Products and services are scarce because resources are scarce.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

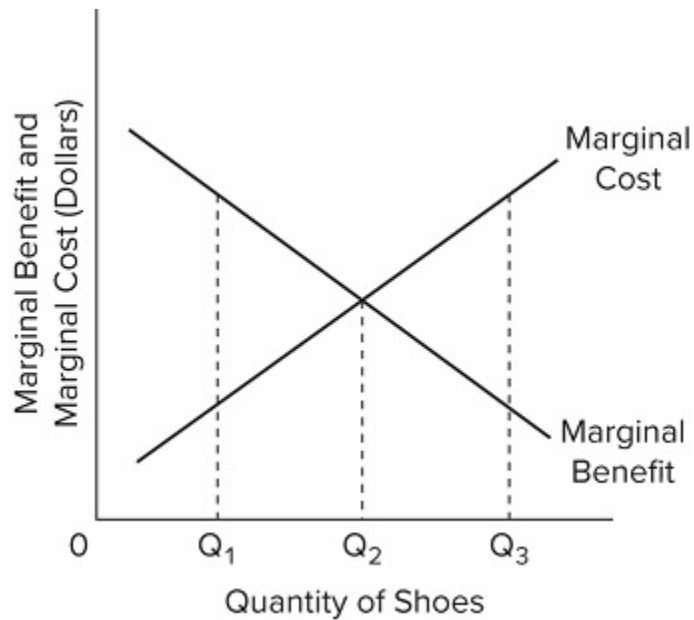
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-424 Products and services are scarce...



Refer to the diagram for athletic shoes. If the current output of shoes is Q_1 , then additional shoes are less valuable to society than alternative products.

society should produce fewer shoes to achieve the optimal allocation of resources.

society should produce more shoes to achieve the optimal allocation of resources.

resources are being allocated efficiently to the production of shoes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-289 (Algo) Refer to the diagram for athletic shoes. If the current...

The marginal-benefit curve is

downward-sloping because successive units of a specific product yield less and less extra benefit.

downward-sloping because of increasing marginal opportunity costs.

upward-sloping because successive units of a specific product yield less and less extra benefit.
upward-sloping because of increasing marginal opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-278 The marginal-benefit curve is...

If the production possibilities curve is a straight line, then
the opportunity cost of producing one good is zero.
the law of increasing opportunity costs does not apply.
the society can produce more of both goods simultaneously.
the society is capable of producing only one of the goods and not the other.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-331 If the production possibilities curve...

Economists have difficulty applying the scientific method because
the scientific method does not really apply to economics.
people are the focus of economics, and their behavior is highly predictable.

controlled laboratory experiments in economics are often not feasible.

economics has a short history.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-85 Economists have difficulty applying the...

Economic models do not reflect the full complexity of reality, but instead are based on value judgments.

predictions.

trade-offs.

simplifications.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-81 Economic models do not reflect...

"Macroeconomics is the part of economics concerned with individual units, such as a person, a household, a firm, or an industry." This statement is

normative and correct.

positive but incorrect.

positive and correct.

normative but incorrect.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-108 "Macroeconomics is the part of...

(LAST WORD) Which of the following is *not* a pitfall to sound economic reasoning?

marginal analysis

post hoc fallacy

biases

fallacy of composition

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-402 (LAST WORD) Which of the...

Which of the following is another way of saying "marginal benefits of an action"?

unintended gains from taking the action

benefits accruing to others as a result of one's action

benefits given up, once the action is taken

extra benefits resulting from the action

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-47 Which of the following is...

José sold gold coins for \$2,000 that he bought a year ago for \$2,000. He says, "At least I didn't lose any money on my financial investment." His economist friend points out that in effect he did lose money because he could have received a 3 percent return on the \$2,000 if he had bought a bank certificate of deposit instead of the coins. The economist's analysis in this case incorporates the idea of

normative economics.

opportunity costs.

marginal benefits that exceed marginal costs.

imperfect information.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-10 José sold gold coins for...

In the early weeks of the COVID-19 pandemic, thousands died, millions became unemployed, and consumption shifted from in-person experiences (like restaurant dining) toward personal protective equipment (PPE), such as masks and hand sanitizer. Which of the following does *not* describe how this would have affected the production possibilities curve for the United States?

It moved the economy from a point on or near the curve to a point further inside the curve.

If the economy had been operating on the curve, it would have moved the economy along the curve.

It shifted the production possibilities curve out.

It shifted the production possibilities curve in.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

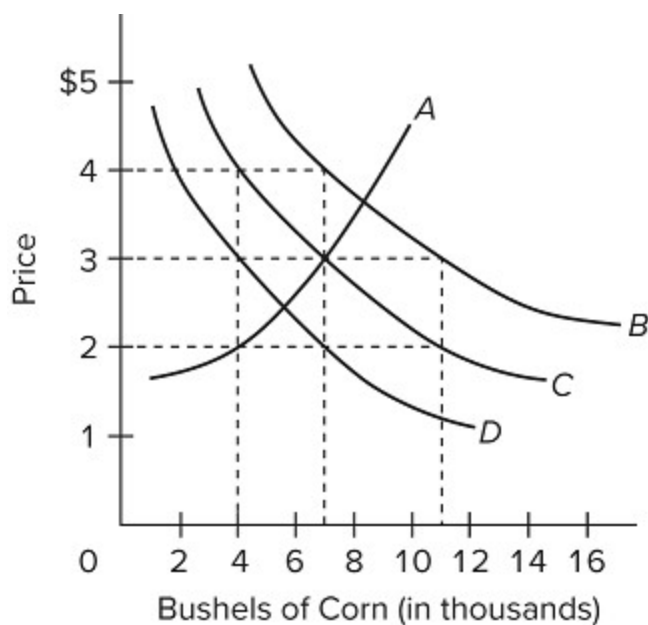
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-340 In the early weeks of...



Refer to the provided graph. Which curve shows a direct relationship between price and quantity?

A

D

B

C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

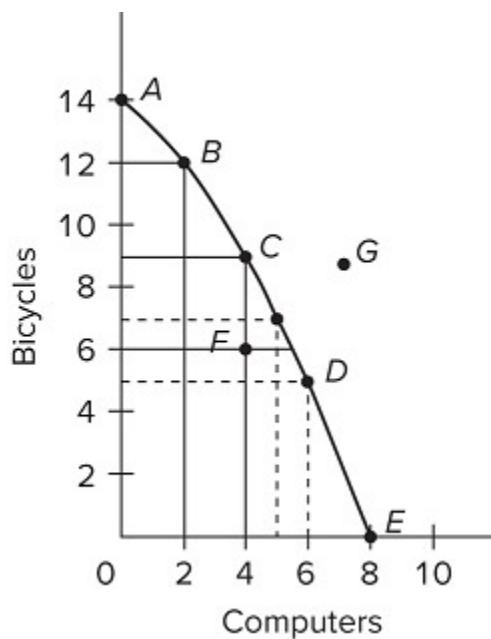
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-540 Refer to the provided...



Refer to the diagram. If society is currently producing the combination of bicycles and computers shown by point C, the production of 3 more units of bicycles will cost 4 units of computers.

will cost 2 units of computers.

cannot be achieved because resources are fully employed.

will cause some resources to become unemployed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-264 (Algo) Refer to the diagram. If society is ...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. The vertical intercept is positive for
data sets 1, 3, and 5 only.

data set 2 only.

data sets 1 and 3 only.

all five data sets.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-499 Answer the question on the...

The optimal point on a production possibilities curve is achieved where

the smallest physical amounts of inputs are used to produce each good.

large amounts of capital goods are produced relative to consumer goods.

large amounts of consumer goods are produced relative to capital goods.

each good is produced at a level where marginal benefits equal marginal costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

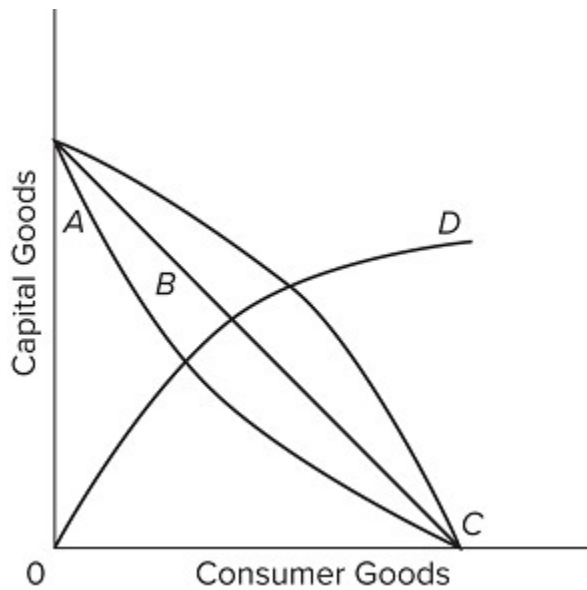
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-277 The optimal point on a...



Refer to the diagram. As it relates to production possibilities analysis, the law of increasing opportunity cost is reflected in curve

- A.
- D.
- B.
- C.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-268 Refer to the diagram....

When firms give away "freebies" like free apps, free checking accounts, free maps, or free toothbrushes, they are contradicting economists' contention that "there is no free lunch."

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-439 When firms give away "freebies"...

The slope of a straight line can be determined by

comparing the percentage vertical change to the percentage horizontal change between two points on the line.

taking the reciprocal of the vertical intercept.

comparing the absolute horizontal change to the absolute vertical change between two points on the line.

comparing the absolute vertical change to the absolute horizontal change between two points on the line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-487 The slope of a straight...

A production possibilities curve illustrates

market prices.

the distribution of income.

consumer preferences.

scarcity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-200 A production possibilities curve illustrates...

When faced with multiple options for a new location, Starbucks first chooses the ones for which marginal benefit and marginal cost are closest to being equal.

the setup costs are minimized.

there are no currently existing coffee shops.

marginal benefit exceeds marginal cost by the greatest amount.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-399 When faced with multiple options...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. As compared to production alternative D, the choice of alternative C would

entail unemployment.

tend to generate a more rapid growth rate.

tend to generate a slower growth rate.

be unattainable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-205 Answer the question on the...

The Latin term "*ceteris paribus*" means

other things equal.

prosperity inevitably follows recession.

that if event A precedes event B, A has caused B.

that economics deals with facts, not values.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-74 The Latin term "ceteris paribus"...

When Starbucks considers setting up a new location

it knows the marginal benefits of the new location better than the marginal costs.

it ignores marginal benefit-marginal cost analysis because the Starbucks franchise is a well-established global success.

it knows the marginal costs of the new location better than the marginal benefits.

both the marginal benefits and marginal costs of the new location are largely unknown.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-398 When Starbucks considers setting up...

Suppose that a fully employed economy produces only two goods, hamburgers and flat-panel TVs. If the economy is currently producing more than the optimal quantity of hamburgers, then to attain the optimal allocation of resources, it should

produce fewer of both goods.

produce more hamburgers and fewer TVs.

produce more TVs and fewer hamburgers.

produce more of both goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-290 (Algo) Suppose that a fully employed...

Kailani tells her partner, "I'm going to quit my job and go back to school." Based on this statement we can safely conclude that

Kailani doesn't like her job.

the wage Kailani receives is not very high.

the utility Kailani receives from working is negative and not outweighed by the income she receives.

Kailani believes that going back to school will provide her with more utility than remaining at her job.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-08 Kailani tells her partner, "I'm...

A nation can produce two products: tanks and autos. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

The *marginal* opportunity cost of the first unit of tanks is
1,000 units of autos.

0 units of tanks.

950 units of autos.

50 units of autos.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-315 (Algo) A nation can produce two...



Refer to the diagram. Technological advance that is useful in producing consumer goods but not in producing capital goods is shown by the shift of the production possibilities curve from AB to

AF.

CD.

GH.

EB.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-348 Refer to the diagram....

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. If the economy is producing at production alternative C, the opportunity cost of the tenth unit of consumer goods will be approximately 3 units of capital goods.

$\frac{1}{3}$ of a unit of capital goods.

2 units of capital goods.

4 units of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-204 Answer the question on the...

In the United States, over 1 million deaths were attributed to the COVID-19 pandemic. How would we expect these deaths to have affected the production possibilities curve for the United States?

It would shift the production possibilities curve out.

It would move the economy along the production possibilities curve.

It would move the economy from a point inside the curve to a point closer to the curve.

It would shift the production possibilities curve in.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-339 In the United States, over...

Answer the question on the basis of the following production possibilities table for two countries, North Cantina and South Cantina.

North Cantina Production Possibilities						
	A	B	C	D	E	F
Capital Goods		4	3	2	1	0
Consumer Goods		1 0	1 8	2 4	2 8	3 0
South Cantina Production Possibilities						
	A	B	C	D	E	F
Capital Goods			3	2	1	0
Consumer Goods			1 5	2 1	2 5	2 7

Refer to the table. If South Cantina is producing at production alternative C, the opportunity cost of the fourth unit of capital goods will be

19 units of consumer goods.

7 units of consumer goods.

3 units of consumer goods.

1/7 of a unit of consumer goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-249 (Algo) Answer the question on the...

Which of the following will cause an outward parallel shift of the budget line?

a decrease in the price of one of the goods

a decrease in money income

an increase in money income

an increase in the prices of both goods

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-128 Which of the following will...

Luisa claims that "government spending \$100 billion on infrastructure will reduce transportation costs by 10 percent." Joachim counters that "\$100 billion on infrastructure spending will reduce transportation costs by 20 percent." We can conclude that

Joachim's statement is normative, but Luisa's is positive.

Luisa's statement is normative, but Joachim's is positive.

both statements are positive.

both statements are normative.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-107 Luisa claims that "government spending...

Which of the following is associated with macroeconomics?

an empirical investigation of the general price level and unemployment rates since 1990

a case study of pricing and production in the textbook industry

a study of the trend of pecan prices since the Second World War

an examination of the incomes of professional athletes

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-87 Which of the following is...

Explain the importance of the *ceteris paribus*, or "other-things-equal," assumption.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : III

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-571 Explain the importance of the...

Which of the following is a positive statement?

A humidity level of 90 percent is too high.

Summer evenings are nice when it cools off to around 70 degrees.

It is too hot to run outside when the temperature exceeds 80 degrees.

The temperature is 92 degrees today.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-98 Which of the following is...

The study of economics is primarily concerned with

demonstrating that capitalistic economies are superior to socialistic economies.

determining the most equitable distribution of society's output.

keeping private businesses from losing money.

choices that are made in seeking the best use of resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-13 The study of economics is...



Refer to the diagram. Given production possibilities curve a, the combination of civilian and war goods indicated by point X is unattainable to this economy.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

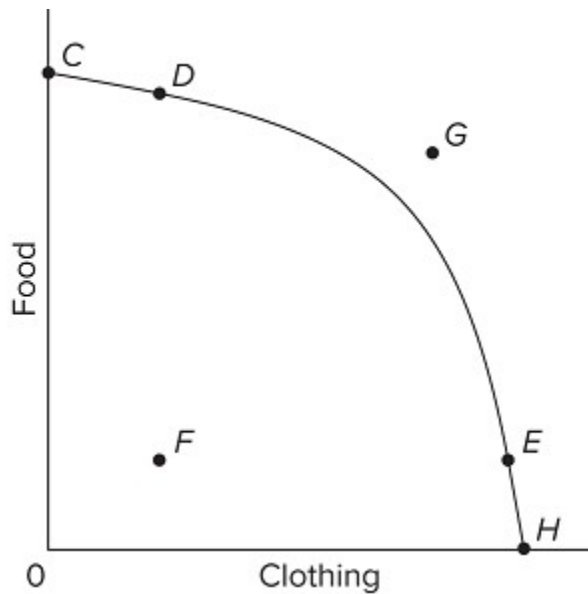
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-431 Refer to the diagram....



Which point or output combination in the provided graph could the nation produce only if it experienced economic growth?

combination E

combination F

combination C

combination G

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

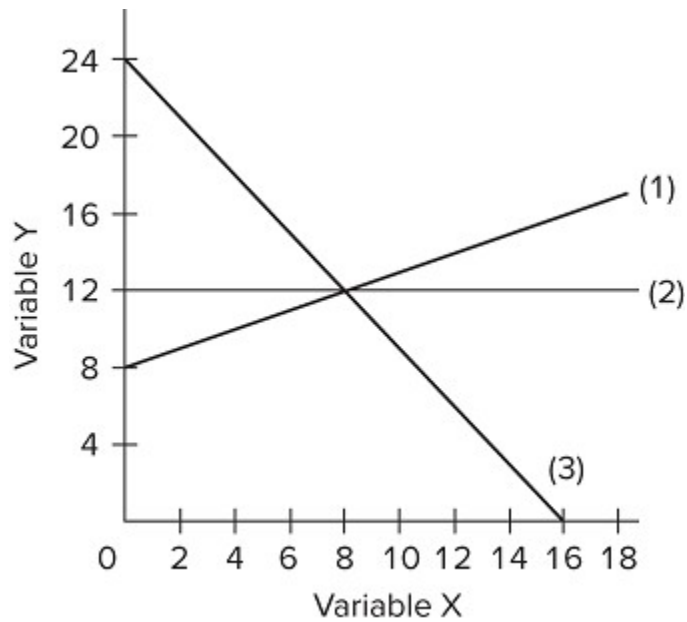
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-376 Which point or output...



The vertical intercept of line (3) on the provided graph is 24.

$-24 \div 16$, or -1.5 .

$24 \div 16$, or 1.5 .

16.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-545 The vertical intercept of...

Which of the following most closely relates to the idea of opportunity costs?

technological change

trade-offs

economic growth

capitalism

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-28 Which of the following most...

In graphing a relationship between two variables, economists always follow the mathematical convention. Thus, if price is the independent variable then it is measured on the horizontal axis.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-558 In graphing a relationship between...

The study of economics is not useful for consumers, because economic analysis focuses only on businesses and the economy.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

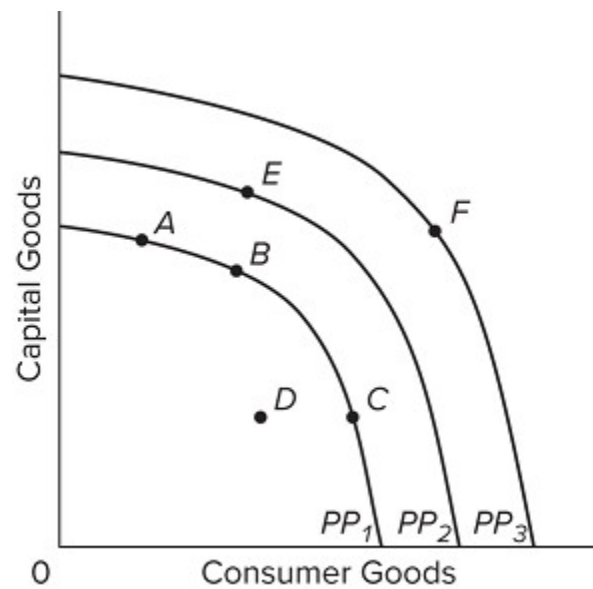
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-443 The study of economics is...



Refer to the diagram. An improvement in technology will move the economy from A to C along PP_1 .

move the economy from A, B, or C on PP_1 to D.

shift the production possibilities curve from PP_2 to PP_1 .

shift the production possibilities curve from PP_1 to PP_2 .

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-356 Refer to the diagram....

An economic model is a purposeful simplification of reality, whose function includes

forecasting random economic events with a high level of accuracy.

analyzing the behavior of a typical or average consumer or firm.

understanding the full complexity of the real world.

predicting the behavior of each and every individual or organization.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-63 An economic model is a...

(Last Word) How is the post hoc fallacy related to the problem of confusing correlation with causation?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-586 (Last Word) How is the...

The alternative combinations of two goods that a consumer can purchase with a specific money income is shown by

a budget line.

a demand curve.

a consumer expenditure line.

a production-possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-124 The alternative combinations of two...

A positive statement is concerned primarily with

what should be.

the formulation of economic policy.

some goal that is desirable to society.

what is.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-102 A positive statement is concerned...



Refer to the diagram. The movement from curve a to curve b could be explained by an increase in the quantity and/or quality of society's productive resources.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-433 Refer to the diagram....



Refer to the diagram. Technological advance that improves the ability to produce capital goods but not consumer goods is shown by the shift of the production possibilities curve from AB to

BE.

CD.

GH.

AF.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-347 Refer to the diagram....

The scientific method is

employed to form hypotheses out of existing laws and theories.

also known as the economic perspective.

used by economists and other social scientists, as well as by physical scientists and life scientists, to formulate and test hypotheses.

not applicable to economics because economics deals with human beings.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-69 The scientific method is...

The comment that "taxes must be reduced for the good of the economy" is an example of a normative economic statement.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-450 The comment that "taxes must...

Suppose that an economy is producing on its production possibilities curve but is not producing quantities of each good where the marginal benefit equals the marginal cost for each good. Based on this we can conclude that this economy is achieving

an optimal allocation of resources, but not full employment.

neither full employment nor an optimal allocation of resources.

both full employment and an optimal allocation of resources.

full employment, but not an optimal allocation of resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-292 Suppose that an economy is...

If an economy is operating inside its production possibilities curve for consumer goods and capital goods, it

can produce more of both consumer goods and capital goods by using resources that are currently idle.

must improve its technology to produce more output.

can only produce more capital goods by producing fewer consumer goods.

can only produce more consumer goods by producing fewer capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

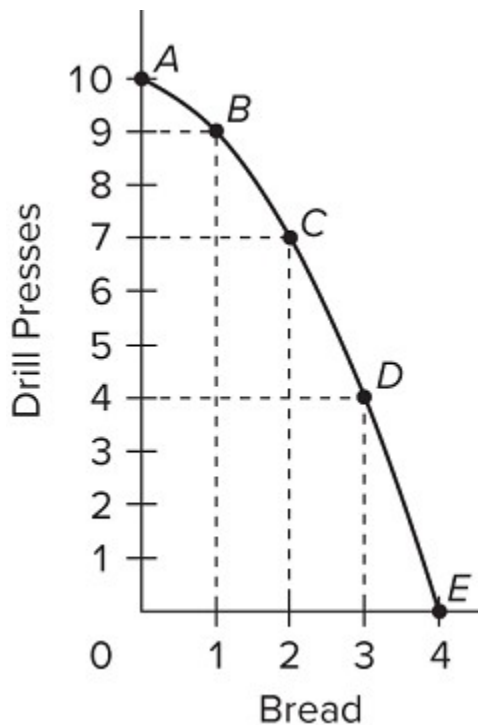
Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-260 If an economy is operating...

The following graph is the production possibilities curve of a nation.



The total opportunity cost of 9 drill presses is
3 units of bread.

1 unit of bread.

1 unit of drill presses.

10 units of drill presses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 03 Hard

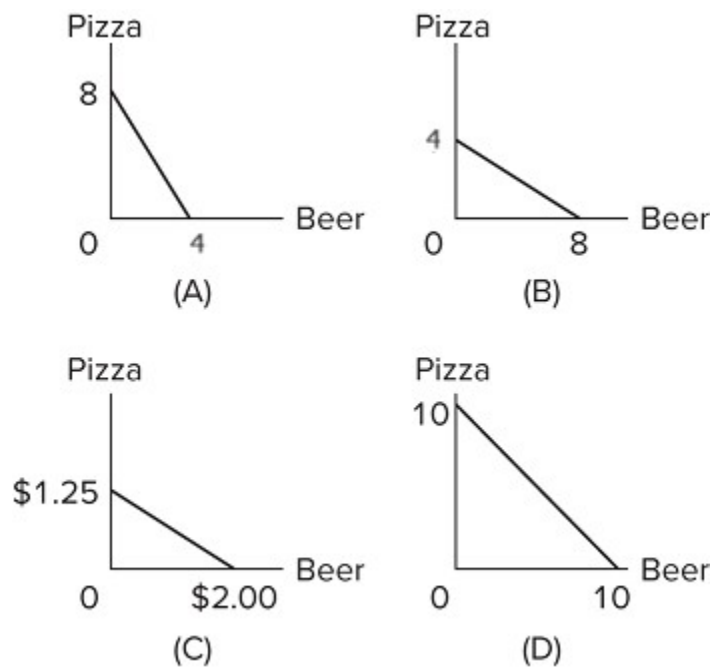
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-323 The following graph is the...



Refer to the graphs. Assume that pizza is measured in slices and beer in pints. In which of the graphs is the opportunity cost of a pint of beer equal to one slice of pizza?

graph B

graph D

graph A

graph C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

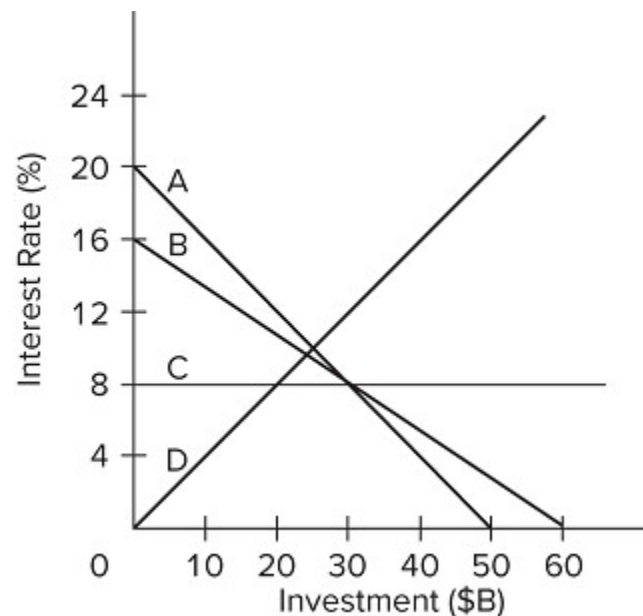
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-143 Refer to the graphs....



Assume that if the interest rate that businesses must pay to borrow funds were 20 percent, it would be unprofitable for businesses to invest in new machinery and equipment, so investment would be zero. But if the interest rate were 16 percent, businesses would find it profitable to invest \$10 billion. If the interest rate were 12 percent, \$20 billion would be invested. Assume that total investment continues to increase by \$10 billion for each successive 4 percentage point decline in the interest rate. Refer to the graph. Which of the following is the correct graphical presentation of the indicated relationship?

line D

line B

line A

line C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-483 Assume that if the...

The budget line shows

all possible combinations of two goods that can be purchased, given money income and the prices of the goods.

the amount of product X that a consumer is willing to give up to obtain one more unit of product Y.

all possible combinations of two goods that yield the same level of utility to the consumer.

the minimum amount of two goods that a consumer can purchase with a specific money income.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-125 The budget line shows...

In a linear equation relating income and consumption where consumption is the dependent variable, the intercept is \$1,000 and the slope of the line is 0.4. If income is \$20,000, then consumption is

\$10,000.

\$11,000.

\$9,000.

\$8,000.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-553 (Algo) In a linear equation relating...

On a production possibilities curve, the single optimal or best combination of output for any society

is at the precise midpoint of the curve.

is at a point near the top of the curve.

depends upon the preferences of society.

is at a point near the bottom of the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

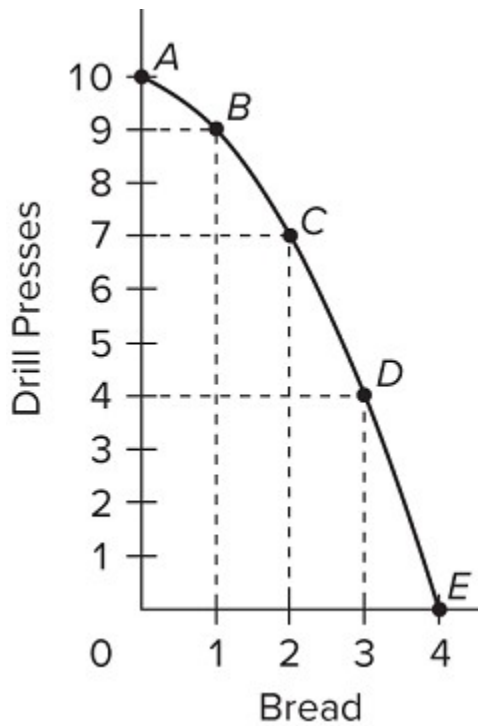
Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-299 On a production possibilities curve,...

The following graph is the production possibilities curve of a nation.



The total opportunity cost of 10 drill presses is
3 units of drill presses.

4 units of bread.

0 units of drill presses.

1 unit of bread.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-323 (Algo) The following graph is the...

What do economists mean when they say that "there is no free lunch"?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-566 What do economists mean when...

A typical concave (bowed out from the origin) production possibilities curve implies that society maximizes well-being when it produces in the very center of the curve.

opportunity costs increase as an economy tries to produce more of a good.

economic resources are perfect substitutes for each other.

all resources are fully employed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-246 (Algo) A typical concave (bowed out...

When an economy is operating under conditions of full employment, the production of more of commodity A will mean the production of less of commodity B because

resources are specialized and only imperfectly substitutable.

of the law of increasing opportunity costs.

resources are limited.

economic wants are insatiable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-213 When an economy is operating...

When economists refer to utility, they are referring to

what must be sacrificed to obtain something else.

a situation where what we want exceeds what we have.

the satisfaction gained from consuming a good.

only when something is useful.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-03 (Algo) When economists refer to,...

Which of the following statements is *not* correct?

An increase in a nation's labor supply will cause its potential output to increase.

New technologies or new ways of producing output can cause a nation's production possibilities curve to shift outward.

Economic growth can be illustrated by an expansion of a nation's production possibilities curve.

An increase in the quantity of a nation's resources will cause economic growth, but an increase in the quality of resources will not.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-380 Which of the following statements...

The concept of scarcity and the law of increasing opportunity costs, respectively, are represented by

a downward-sloping curve, bowed out from the origin.

a downward-sloping curve, bowed in toward the origin.

a curve bowed in toward the origin, upward-sloping.

a curve bowed out from the origin, upward-sloping.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-275 The concept of scarcity and...

An economy cannot produce at a point outside of its production possibilities curve because human economic wants are insatiable.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-426 An economy cannot produce at...

Other things equal, an increase in a consumer's money income

eliminates the individual's economizing problem.

causes the consumer to choose a different combination of goods along a given budget line.

increases the amount of utility a consumer receives from a given quantity of a good.

shifts the individual's budget line rightward because she can now purchase more of both products.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-139 Other things equal, an increase...

Which of the following is a microeconomic statement?

The real domestic output increased by 1.6 percent last year.

Unemployment was 5.2 percent of the labor force last year.

The general price level increased by 1.1 percent last year.

The price of smartphones declined 2.8 percent last year.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-92 Which of the following is...

Economic growth is the result of what factors?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : III

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-581 Economic growth is the result...

A relationship illustrated by an upward-sloping graph means that a(n)

increase in the value of one variable causes the value of the other to increase.

increase in the value of one variable causes the value of the other to decrease.

decrease in the value of one variable causes the value of the other to decrease.

decrease in the value of one variable causes the value of the other to increase.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-531 A relationship illustrated by an...

The opportunity cost of doing or getting something is defined as

the difference between the marginal cost and benefit of doing something.

the money spent in doing or getting something.

the value of the best alternative that is given up in order to do or get something.

the materials used in doing or getting something.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-38 The opportunity cost of doing...

The "other-things-equal" assumption is employed when

economists draw a two-dimensional (or two-axes) graph.

the relationship is inverse, but not when it is direct.

the graph of a given relationship is shifting up or down.

the relationship is direct, but not when it is inverse.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-523 The "other-things-equal" assumption is employed...

The following table shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

Suppose Taran can only watch one of his favorite teams play. Assuming the cost to watch each team is the same, which team will Taran choose to watch?

Seattle Mariners

Manchester United

Seattle Seahawks

Seattle Storm

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-58 (Algo) The table below shows how...

(Consider This) The assertion that Facebook is "free"

depends on the fact that Facebook provides a service rather than a manufactured good.

accurately indicates that Facebook has overcome scarcity in the provision of social media platforms.

may be true for its users, but only because someone else is covering the costs.

means Facebook faces no production costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-393 (Consider This) The assertion that...

Distinguish between a positive economic statement and a normative economic statement.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

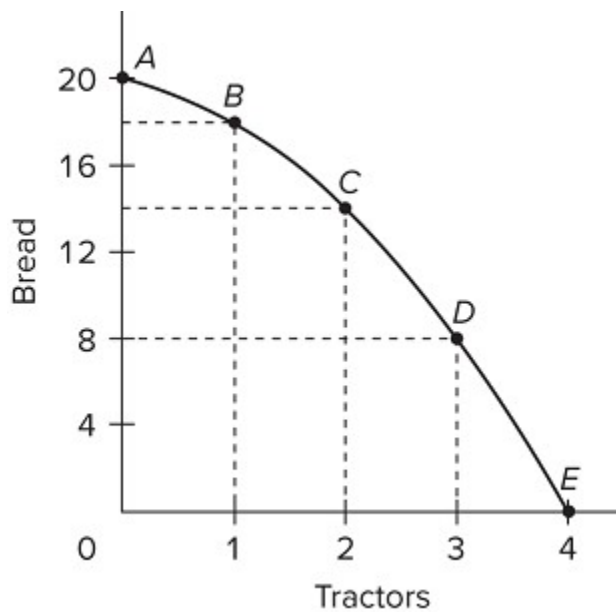
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : III

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-573 Distinguish between a positive economic...



Refer to the diagram. Starting at point E, the production of successive units of bread will cost a constant 6 units of tractors.

1/8, 1/6, 1/4, and 1/2 units of tractors.

a constant 8 units of tractors.

1/2, 1/4, 1/6, and 1/8 units of tractors.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-236 Refer to the diagram....

Which of the following statements is correct?

The value of the independent variable is determined by the value of the dependent variable.

Dependent variables graph as upward-sloping lines; independent variables graph as downward-sloping lines.

The dependent variable designates the "cause" and the independent variable the "effect."

The value of the dependent variable is determined by the value of the independent variable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-470 Which of the following statements...

Economics may best be defined as the

study of why people are rational.

empirical testing of value judgments through the use of logic.

interaction between macro and micro considerations.

social science concerned with how individuals, institutions, and society make optimal choices under conditions of scarcity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

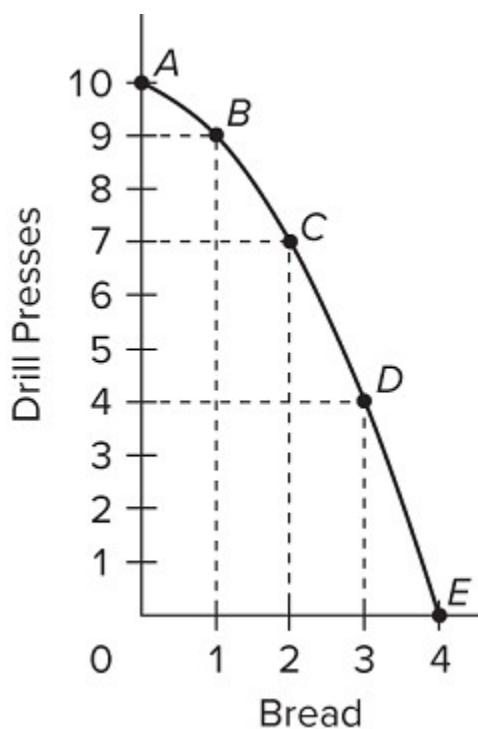
Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-12 Economics may best be defined...

The following graph is the production possibilities curve of a nation.



The combination "5 drill presses and 2 bread" indicates a combination produced when the nation is at full employment.

that some resources in the nation are unemployed.

an ideal combination for the nation.

an unattainable combination for the nation.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-321 (Algo) The following graph is the...

Define what is meant by a positive or direct relationship between two variables, and describe the line graph depicting such a relationship.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-589 Define what is meant by...

Rebecca likes to read in her spare time. If not reading, Rebecca also likes to do yoga, take walks on the beach, go wine tasting, and text with friends. Suppose that today she only has time for one of those activities, and suppose that if she reads, Rebecca will get 50 units of satisfaction ("utils"). She will get 30 utils from doing yoga, 40 utils walking on the beach, 25 utils wine tasting, and 35 utils texting with friends. Based on this information, today we expect that Rebecca will

text with friends.

read.

walk on the beach.

do yoga.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-49 (Algo) Rebecca likes to read in...

What fundamental economic principle does a company like Starbucks use in making business decisions?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-583 What fundamental economic principle does...

Which of the following is *not* correct? A typical production possibilities curve

indicates that to produce more of one product, a society must forgo larger and larger amounts of the other product.

reveals how much each additional unit of one product will cost in terms of the other product.

indicates how much of two products society can produce.

specifies how much of each product a society will want to produce.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-231 Which of the following is...

The production possibilities curve

indicates that any combination of goods lying outside the curve is economically inefficient.

is a frontier between all combinations of two goods that can be produced and those combinations that cannot be produced.

shows all of those combinations of two goods that are most preferred by society.

shows all of those levels of production that are consistent with a stable price level.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-216 The production possibilities curve...

A point inside the production possibilities curve is _____, while a point outside the curve is _____.

attainable; unattainable

the maximum possible; below the maximum possible

unattainable; attainable

below the maximum possible; the maximum possible

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

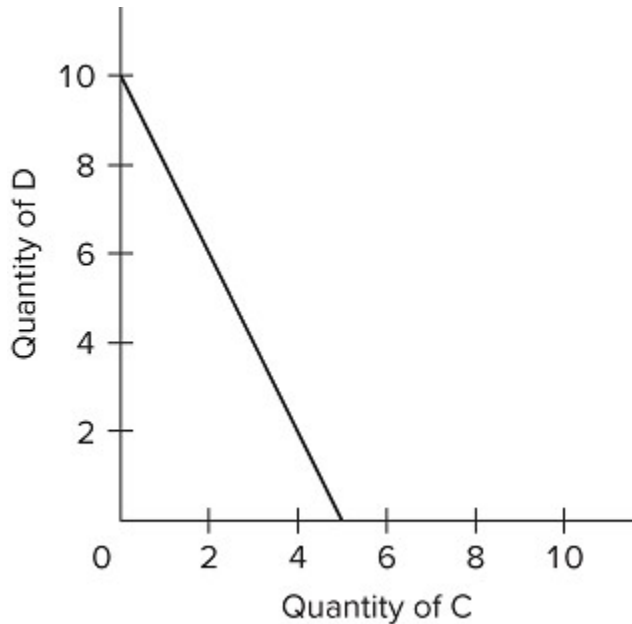
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-318 A point inside the production...



Refer to the budget line shown in the diagram. If the consumer's money income is \$50, the consumer can obtain a combination of 5 units of both C and D.

price of C is \$5 and the price of D is \$10.

price of C is \$10 and the price of D is \$5.

prices of C and D cannot be determined.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-126 Refer to the budget...

Money is *not* considered to be an economic resource because

as such it is not productive.

money is made by humans.

idle money balances do not earn interest income.

money is not a free gift of nature.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

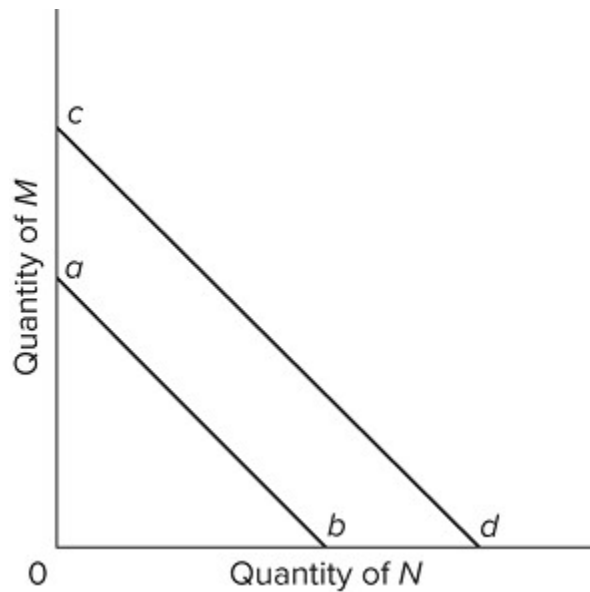
Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-189 Money is not considered to...



The shift of the budget line from cd to ab in the figure is consistent with decreases in the prices of both M and N.

an increase in money income.

an increase in the price of M and a decrease in the price of N.

a decrease in money income.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-133 The shift of the...

Suppose that a consumer purchases just two goods, X and Y. The ratio of the price of good X to the price of good Y is the

slope of the budget line.

intercept on the X axis of the budget line.

intercept on the Y axis of the budget line.

size of the shift in the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-152 Suppose that a consumer purchases...

If an economy is operating *on* its production possibilities curve for consumer goods and capital goods, this means that

it is impossible to produce more capital goods.

it is impossible to produce more consumer goods.

resources cannot be reallocated between the two goods.

more consumer goods can only be produced at the cost of fewer capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-243 If an economy is operating...

An economic hypothesis

is a possible explanation of cause and effect.

is usually a normative statement.

has the same meaning as an economic principle or economic law.

is a stronger generalization than an economic law.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

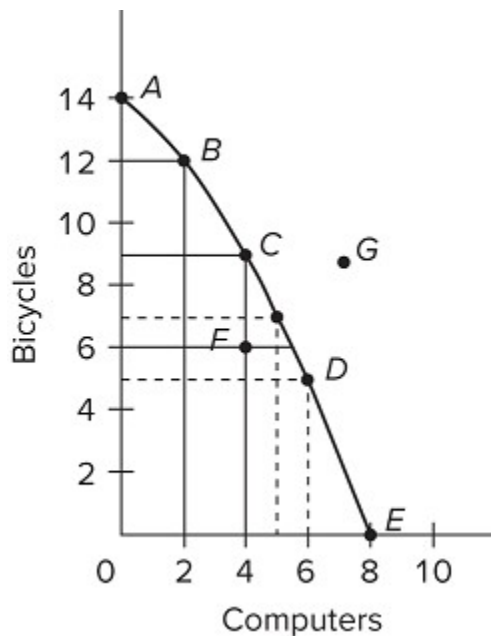
Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-65 An economic hypothesis...



Refer to the diagram. The combination of computers and bicycles shown by point F suggests that opportunity costs are constant.

is attainable but implies that the economy is not using all its resources.

is unattainable given currently available resources and technology.

is irrelevant because it is inconsistent with consumer preferences.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

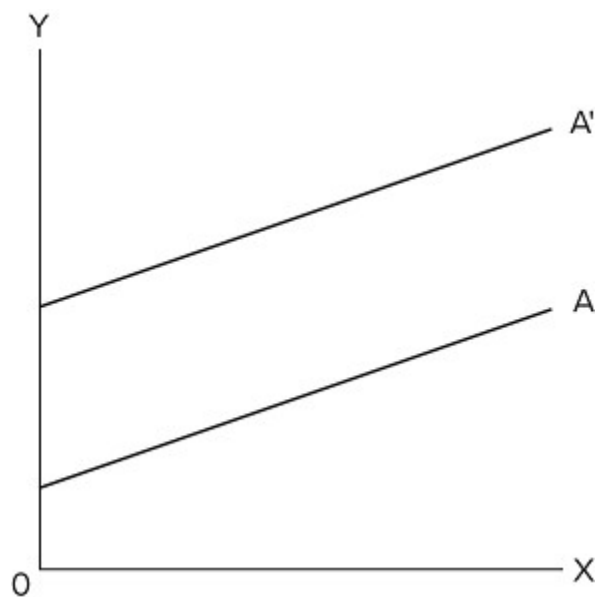
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-265 Refer to the diagram....



The movement from line A to line A' represents a change in the slope only.

both the slope and the intercept.

neither the slope nor the intercept.

the intercept only.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-507 The movement from line...

In constructing the demand graph to show how the price of a good price affects how much of it the buyers will buy, the convention that economists follow is to measure price on the

horizontal axis because it is the independent variable.

vertical axis because it is the dependent variable.

vertical axis even though it is the independent variable.

horizontal axis even though it is the dependent variable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-530 In constructing the demand graph...

If we say that two variables are directly related, this means that

the two graph as a downward-sloping line.

the relationship between the two is purely random.

an increase in one variable is associated with a decrease in the other variable.

an increase in one variable is associated with an increase in the other variable.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-467 If we say that two...

The question below is based on the following four sets of data-pairs: (1) A and B, (2) C and D, (3) E and F, and (4) G and H. In each set, the independent variable is in the left column and the dependent variable is in the right column.

(1)	(2)	(3)	(4)				
A	B	C	D	E	F	G	H
0	6	2	10	0	12	0	3
7	5	3	20	1	10	2	5
14	4	4	30	2	8	4	7
21	3	5	40	3	6	6	9

The vertical intercept is 6 in which of the above data sets?

4

3

2

1

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

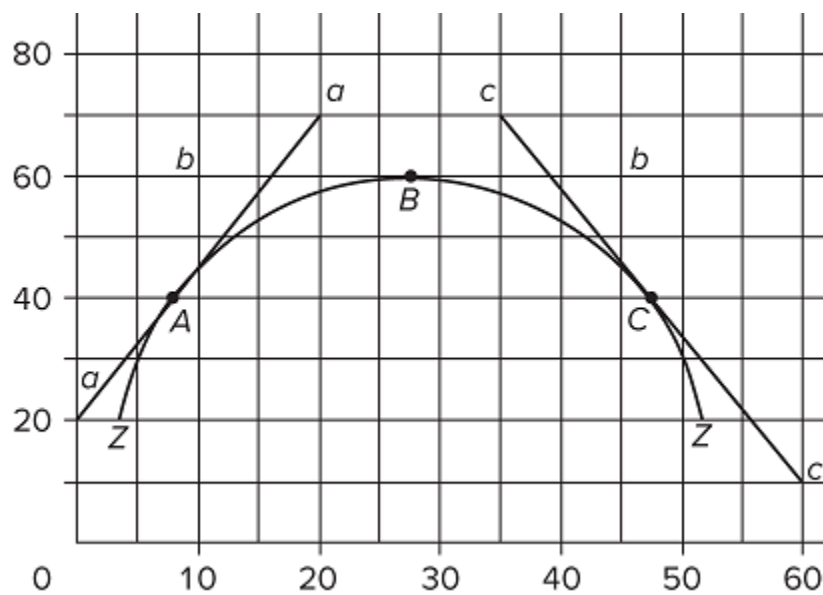
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-528 The question below is based...



Refer to the diagram. The slope of curve ZZ at point A is approximately $+2\frac{1}{2}$.

$+2$.

$+4$.

$-2\frac{1}{2}$.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-513 Refer to the diagram....

In moving along a given budget line,

the prices of both products and money income are assumed to be constant.

money income varies, but the prices of the two goods are constant.

the prices of both products are assumed to vary, but money income is constant.

each point on the line will be equally satisfactory to consumers.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-131 In moving along a given...

If all discrimination in the United States were eliminated, the economy would

produce at some point closer to its production possibilities curve.

have a less concave production possibilities curve.

produce more consumer goods and fewer investment goods.

be able to produce at some point outside of its production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-365 If all discrimination in the...

The slope of a budget line reflects the

utility ratio of the two products.

amount of the consumer's income.

desirability of the two products.

price ratio of the two products.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-140 The slope of a budget...

Suppose there are two economies, Alpha and Beta, which have the same production possibilities curves. If Beta devotes more resources to produce capital goods than consumer goods as compared to Alpha, then in the future we would expect that

Alpha will not be able to achieve full employment or productive efficiency.

Beta will experience greater economic growth than Alpha.

Alpha will experience greater economic growth than Beta.

Beta will not be able to achieve full employment or productive efficiency.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-386 Suppose there are two economies,...

The concept of scarcity and the law of increasing opportunity costs, respectively, are represented by

a curve bowed out from the origin, downward sloping.

a downward sloping curve, bowed in toward the origin.

a downward sloping curve, bowed out from the origin.

a curve bowed in toward the origin, upward sloping.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-275 (Algo) The...



Refer to the diagram. Given production possibilities curve a, point Y indicates that society is failing to use available resources efficiently.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-432 Refer to the diagram....

Which of the following is *not* considered by economists to be an economic resource?

computers at a retail store

factory workers

a forest

money

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-178 Which of the following is...

Unemployment

causes the production possibilities curve to shift outward.

can exist at any point on a production possibilities curve.

is illustrated by a point inside the production possibilities curve.

is illustrated by a point outside the production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

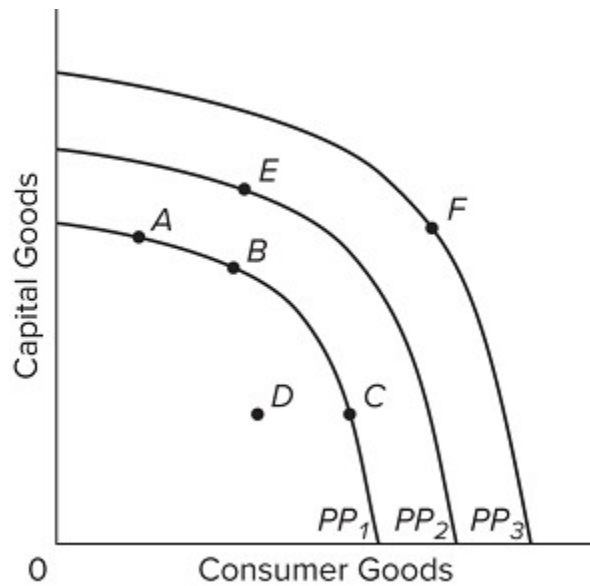
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-198 Unemployment...



Refer to the diagram. The concave shape of each production possibilities curve indicates that prices are constant.

resources are perfectly substitutable.

wants are virtually unlimited.

resources are not equally suited for alternative uses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-353 Refer to the diagram....

If the output of product X is such that marginal benefit equals marginal cost,

the correct amount of resources is being allocated to X's production.

there can be a net gain to society by allocating either more or less resources to producing X.

the value of producing X exceeds the value of producing alternative products with the available resources.

resources are overallocated to the production of X.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-282 If the output of product...

A reduction in the level of unemployment would have which effect with respect to the nation's production possibilities curve?

It would not shift the curve; it would be represented by a movement from a point on the curve to a point outside the curve.

It would shift the curve to the right.

It would not shift the curve; it would be represented by a movement from a point inside the curve toward a point on the curve.

It would shift the curve to the left.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-373 A reduction in the level...

Economic theories

that are true for individual economic units are never true for the economy as a whole.

are generalizations based on hypotheses tested and supported with observed facts.

are useless because they are not based on laboratory experimentation.

are abstractions and therefore of no application to real situations.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-71 Economic theories...

Assume that a consumer purchases only two products. Suppose that the consumer's money income doubles, and the prices of the two products also double. These changes in income and prices will result in

a shift of the budget line outward to the right.

a shift of the budget line inward to the left.

an increase in the slope of the budget line.

no change in the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-163 Assume that a consumer purchases...

The question below is based on the following four sets of data-pairs: (1) A and B, (2) C and D, (3) E and F, and (4) G and H. In each set, the independent variable is in the left column and the dependent variable is in the right column.

(1)	(2)	(3)	(4)				
A	B	C	D	E	F	G	H
0	6	2	10	0	12	0	3
7	5	3	20	1	10	2	5
14	4	4	30	2	8	4	7
21	3	5	40	3	6	6	9

The linear equation for the relationship in data set 3 above is

$F = 12E.$

$F = 12 - 2E.$

$E = 12 - 2 F.$

$E = 12F.$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

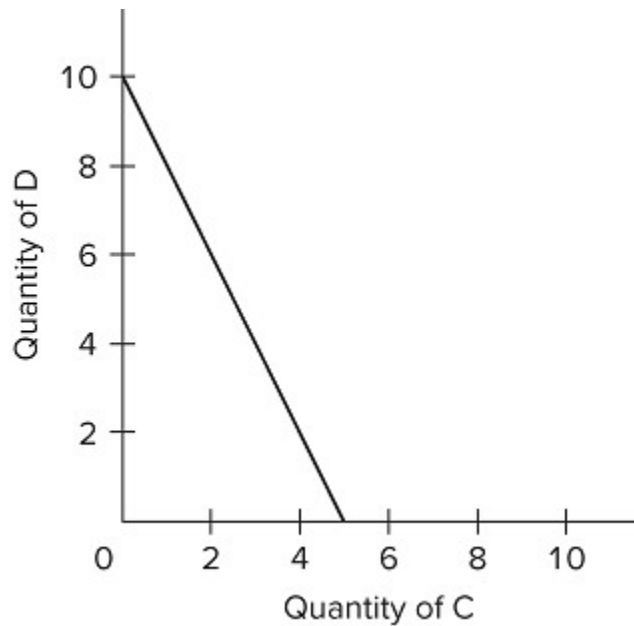
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-529 The question below is based...



Refer to the budget line shown in the diagram. Which of the following combinations of goods is unattainable for this consumer?

4 units of C and 6 units of D

5 units of C and no units of D

2 units of C and 6 units of D

1 unit of C and 8 units of D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-127 Refer to the budget...

The typical production possibilities curve is

a downward-sloping line that is bowed in toward the origin.

a straight upward-sloping line.

a downward-sloping line that is bowed out from the origin.

an upward-sloping line that is bowed out from the origin.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

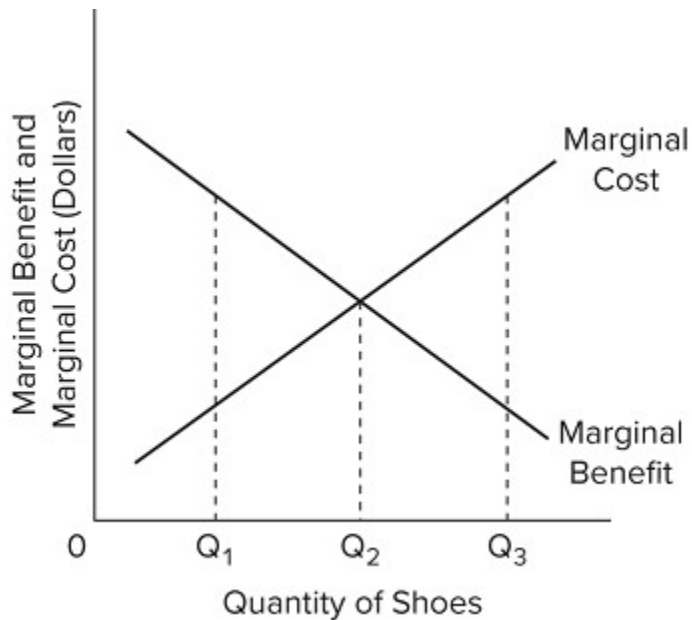
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-222 The typical production possibilities curve...



Refer to the diagram for athletic shoes. If the current output of shoes is Q₂, then a barefoot running movement that reduced interest in athletic shoes would not affect the optimal quantity.

decrease the optimal quantity.

increase or decrease the optimal quantity, depending on the level of interest in barefoot running.

increase the optimal quantity.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-288 (Algo) Refer to the diagram for athletic shoes. If the...

Differentiate between the independent and dependent variables in an economic relationship.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : III

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-591 Differentiate between the independent and...

Which of the following indicates an inverse relationship between x and y?

$$y = -3 + 5x$$

$$y = -50$$

$$y = 6.2x$$

$$y = 7 - 0.9x$$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

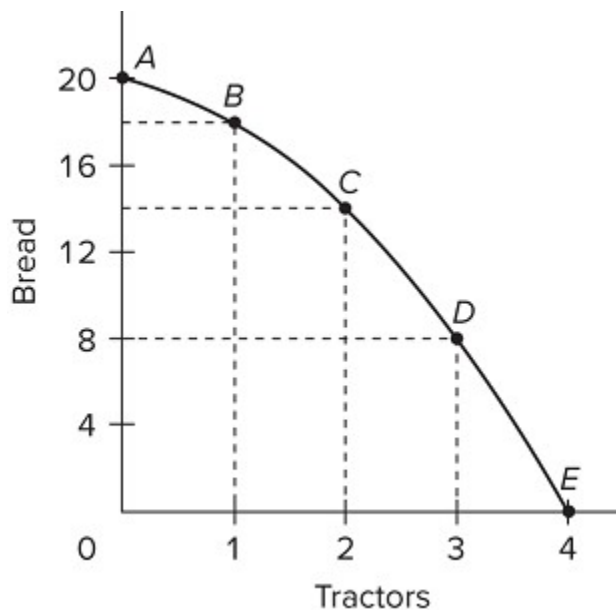
Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-535 Which of the following indicates...



Refer to the diagram. Which of the following is a normative statement?

Other things equal, the combination of outputs represented by point D will result in more rapid economic growth than will the combination represented by point C.

If society produces 2 units of tractors and 12 units of bread, it is not using its available resources with maximum efficiency.

Point C is superior to point B because it is important to enhance the future of society.

If society is initially at point C, it must sacrifice 6 units of bread to obtain one more unit of tractors.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Microeconomics and Macroeconomics

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-233 Refer to the diagram....

The question below is based on the following four sets of data-pairs: (1) A and B, (2) C and D, (3) E and F, and (4) G and H. In each set, the independent variable is in the left column and the dependent variable is in the right column.

(1)	(2)	(3)	(4)				
A	B	C	D	E	F	G	H
0	6	2	10	0	12	0	3
7	5	3	20	1	10	2	5
14	4	4	30	2	8	4	7
21	3	5	40	3	6	6	9

The slope of the linear graph that pictures data set 2 above is

0.10.

20.

5.

10.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-527 The question below is based...

For economists, the word "utility" means

versatility and flexibility.

pleasure or satisfaction.

rationality.

purposefulness.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

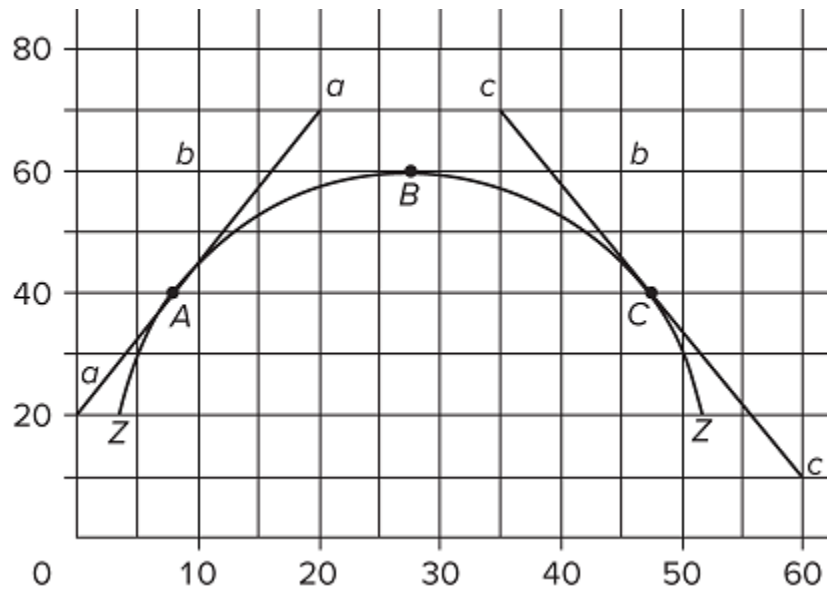
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-01 For economists, the word "utility"...



Refer to the diagram. The slope of curve ZZ at point B is

+1.

-1.

infinity.

zero.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-514 Refer to the diagram....

The scientific method does not apply to economics, because economics studies human behavior, which cannot be generalized.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-444 The scientific method does not...

All of the following would affect the position and shape of a nation's production possibilities curve, *except*

the amount of labor available.

the amount of the capital resources.

the level of unemployment.

the rate of technological progress.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-300 All of the following would...

Does engaging in purposeful behavior and using marginal analysis necessarily result in the best decisions? Explain.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-569 Does engaging in purposeful behavior...

Assume that a consumer purchases only two products and there is a decrease in the consumer's income. The prices of the two products stays constant. The decrease in income will result in

a decrease in the slope of the budget line.

a shift of the budget line inward to the left.

a shift of the budget line outward to the right.

an increase in the slope of the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-162 Assume that a consumer purchases...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

- A change from combination D to C means that
- 2 units of steel are given up to get 55 units of wheat.
- 2 units of steel are given up to get 20 more units of wheat.
- 1 unit of steel is given up to get 20 more units of wheat.
- 1 unit of steel is given up to get 55 units of wheat.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-304 (Algo) A nation can produce two...

The table below shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

- Suppose Taran can only watch one of his favorite teams play. Assuming the cost to watch each team is the same and he watches his favorite team, what is the opportunity cost of watching his favorite team?
- The sum of the utils for all the teams he did not watch.

145 utils

142 utils

148 utils

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-59 The table below shows how...

The table below shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

Suppose Taran can only watch one of his favorite teams play. Assuming he watches his favorite team, what is the opportunity cost of watching his favorite team?

Watching Manchester United

Watching the Seattle Mariners

Watching the Seattle Seahawks

Watching the Seattle Storm

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-60 (Algo) The table below shows how...

In a linear equation relating income and consumption where consumption is the dependent variable, the intercept is \$1,000 and the slope of the line is 0.4. If income is \$20,000, then consumption is

\$11,000.

\$10,000.

\$8,000.

\$9,000.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-553 In a linear equation relating...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

If the nation produces more and more tanks, the opportunity cost of each additional tank in terms of autos falls.

cannot be measured.

remains constant.

increases.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-316 A nation can produce two...

From an economic perspective, when consumers leave a fast-food restaurant because the lines to be served are too long, they have concluded that the

marginal cost of waiting is less than the marginal benefit of eating in that restaurant.

management is exhibiting irrational behavior by not considering the marginal cost and the marginal benefit of standing in line by the consumer.

management is making an assumption that other things are equal.

marginal cost of waiting is greater than the marginal benefit of eating in that restaurant.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-52 From an economic perspective, when...

The economic perspective focuses largely on marginal analysis, which means analyzing

the minor aspects of a given issue or decision.

the changes in the situation that would result from a given action.

emotional and psychological facets of a given action.

peripheral elements of a given issue or action.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-45 The economic perspective focuses largely...

If we say that two variables are inversely related, this means that

an increase in one variable is associated with an increase in the other.

the resulting relationship can be portrayed by a straight line parallel to the horizontal axis.

an increase in one variable is associated with a decrease in the other.

the two graph as an upward-sloping line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-468 If we say that two...

Rebecca likes to read in her spare time. If not reading, Rebecca also likes to do yoga, take walks on the beach, go wine tasting, and text with friends. Suppose that today she only has time for one of those activities, and if she reads, Rebecca will get 50 units of satisfaction ("utils"). She will get 44 utils from doing yoga, 38 utils walking on the beach, 42 utils wine tasting, and 48 utils texting with friends. Based on this information, if Rebecca reads today, what is the opportunity cost of her decision?

The utility from all the other activities combined

The utility from texting with friends

The utility from wine tasting

The utility from walking on the beach

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-50 (Algo) Rebecca likes to read in...

If the marginal benefits are greater than the marginal cost of an activity, then society should allocate fewer resources to this activity.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-461 If the marginal benefits are...

The following table shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

Suppose Taran can only watch one of his favorite teams play. Assuming the cost to watch each team is the same and he watches his favorite team, what is the opportunity cost of watching his favorite team?

142 utils

145 utils

148 utils

The sum of the utils for all the teams he did not watch

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-59 (Algo) The table below shows how...

Assume the price of product Y (the quantity of which is on the vertical axis) is \$5 and the price of product X (the quantity of which is on the horizontal axis) is \$20. Also assume that money income is \$40. The absolute value of the slope of the resulting budget line is

8.

1/4.

2.

4.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-142 (Algo) Assume the price of product...

If we are considering the relationship between two variables and release one of the other-things-equal assumptions, we would expect

the relationship to change from direct to inverse.

the relationship to change from inverse to direct.

the data points to have a tighter fit to the line representing the relationship.

the line representing that relationship on a graph to shift.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-511 If we are considering the...

Another way of saying "*ceteris paribus*" is

in reality.

because of this.

other things equal.

in general.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-83 Another way of saying "*ceteris...*

The slope of the typical production possibilities curve

becomes flatter as one moves southeast along the curve.

is constant as one moves down the curve.

is positive.

becomes steeper as one moves southeast along the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-223 The slope of the typical...

Which of the following is one of the simplifying assumptions made in constructing a production possibilities curve?

Resources are fully employed and are used in least-cost methods of production.

The state of technology is constantly changing.

A wide variety of products are produced.

Quantities of available resources in the economy vary as we move from one point on the curve to another.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Knowledge Application

Difficulty : 02 Medium

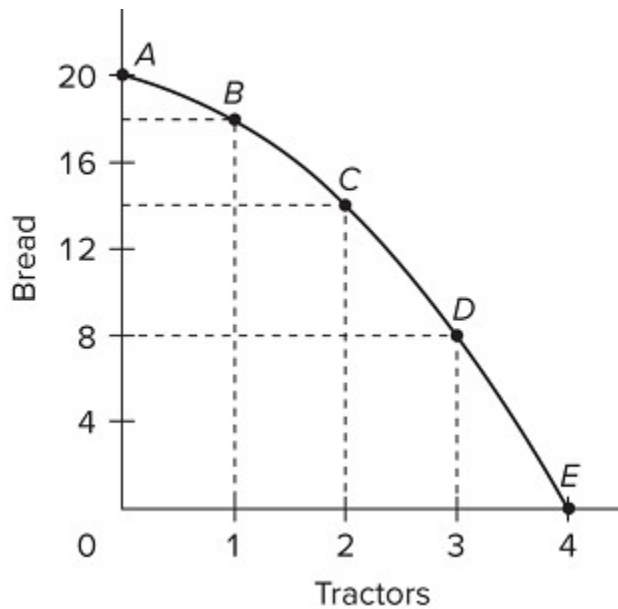
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-297 Which of the following is...



Refer to the diagram. If the economy is currently at point B, what is the opportunity cost of a second unit of tractors?

The opportunity cost of the second unit of tractors cannot be determined.

4 units of bread

16 units of bread

14 units of bread

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-237 (Algo) Refer to the diagram....

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14	1	
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that the level of technology is the same in both countries. We can conclude that

the total opportunity cost of producing 2 units of military goods is the same in both countries.

Herbania has a greater quantity and quality of resources than Duckistan for producing both military goods and civilian goods.

Duckistan has a greater quantity and quality of resources than Herbania for producing military goods.

Herbania has a greater quantity and quality of resources than Duckistan for producing civilian goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-226a (Algo) Refer to the tables. Suppose...

In a graph showing the relationship between variables X and Y , "*ceteris paribus*" means that

X is positively related to Y .

X and Y are independent.

other variables not shown are held constant.

X is inversely related to Y.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-533 In a graph showing the...

Suppose that a university decides to spend \$1 million to upgrade personal computers and scientific equipment for faculty rather than spend \$1 million to expand parking for students. This example illustrates

opportunity costs.

increasing opportunity costs.

productive efficiency.

distorted priorities.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-27 Suppose that a university decides...

The table below shows how much utility Taran gets from watching his favorite teams, measured in "utils" (units of satisfaction).

Team	Utils
Manchester United	145
Seattle Kraken	127
Seattle Mariners	148
Seattle Seahawks	142
Seattle Sounders	131
Seattle Storm	135

Suppose Taran can only watch one of his favorite teams play. Assuming the cost to watch each team is the same, which team will Taran choose to watch?

Seattle Seahawks

Manchester United

Seattle Mariners

Seattle Storm

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-58 The table below shows how...

Products and services are scarce solely because resources are finite in amount.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-425 Products and services are scarce...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Suppose this two-good economy is currently producing 1 unit of steel and 80 units of wheat.

If for steel the marginal benefit equals marginal cost at 2 units, what can we conclude about this economy?

It is producing at less than full employment and the economy should reallocate some of its wheat production to steel production.

It is producing at full employment and the economy should reallocate some of its wheat production to steel production.

It is producing at full employment and the allocation of resources cannot be improved.

It is producing the maximum amount of steel possible but is at less than full employment in terms of wheat. It should increase wheat production and leave steel production unchanged.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-310 A nation can produce two...

If A is the dependent variable and B is the independent variable, then a change in A results in a change in B.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-556 If A is the dependent...

Economics involves marginal analysis because

most decisions involve changes from the present situation.

marginal benefits always exceed marginal costs.

much economic behavior is irrational.

marginal costs always exceed marginal benefits.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-18 Economics involves marginal analysis because...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. For these data, the law of increasing opportunity costs is reflected in the fact that

the amount of consumer goods that must be sacrificed to get more capital goods diminishes beyond a point.

as more consumer goods are produced, each additional unit of capital goods sacrificed yields fewer and fewer additional units of consumer goods.

the economy's resources are presumed to be scarce.

the production possibilities data would graph as a straight downward-sloping line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-208 Answer the question on the...

Purposeful behavior suggests that
decisions are unaffected by emotion.
individuals and institutions seek to increase their utility.
people are immune from faulty logic.
individuals focus primarily on the interests of others.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-16 (Algo) Purposeful behavior suggests that...

As people get older, they sometimes create "bucket lists"—lists of activities they want to complete before they die ("kick the bucket") or are otherwise no longer able. How does the economic perspective help us understand why people are more likely to create bucket lists when they are older, rather than when they are younger?

Bucket list activities are always expensive, and older people tend to have higher incomes and more accumulated wealth.

Older people are more economically rational, better at weighing marginal benefits and marginal costs.

Older people view time as more scarce and create these lists to help them maximize the utility from their choices.

Younger people don't face opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-61 As people get older, they...

Which one of the following is a normative economic statement?

Consumer prices are rising at a faster rate than in past months, indicating a renewal of inflationary pressures on the economy.

The worsening balance of trade must be corrected if this nation is to remain competitive in the world economy.

To help balance the federal budget, Congress increased the tax on gasoline to its highest level in the past 10 years.

The unemployment rate fell for the fourth straight month, reflecting the effects from stronger economic growth in the second quarter.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-120 Which one of the following...

Economists would classify all of the following as "land," *except*

a hydroelectric dam.

two thousand acres of virgin forest.

iron ore deposits.

crude oil reserves.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-182 Economists would classify all of...

Answer the question on the basis of the following production possibilities tables for two countries, North Cantina and South Cantina.

		North Cantina Production Possibilities					
		A	B	C	D	E	F
Capital Goods			4	3	2	1	0
Consumer Goods			10	18	24	28	30
		South Cantina Production Possibilities					
		A	B	C	D	E	F
Capital Goods				3	2	1	0
Consumer Goods				15	21	25	27

- Refer to the tables. If North Cantina is producing at production alternative B, the opportunity cost of the 11th unit of consumer goods will be
- 1/8 of a unit of capital goods.
 - 8 units of capital goods.
 - 10 units of capital goods.
 - 1/4 of a unit of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-250 Answer the question on the...

A nation can produce two products: tanks and autos. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Tanks	0	1	2	3	4	5
Autos	1,000	950	850	650	350	0

Given the production possibilities schedule above, a combination of 3 tanks and 350 autos is attainable but entails some unemployment or inefficient use of society's resources.

is not attainable because this combination is not listed in the schedule.

cannot be produced by society, given its current resources and production technology.

illustrates the trade-off between tanks and autos.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

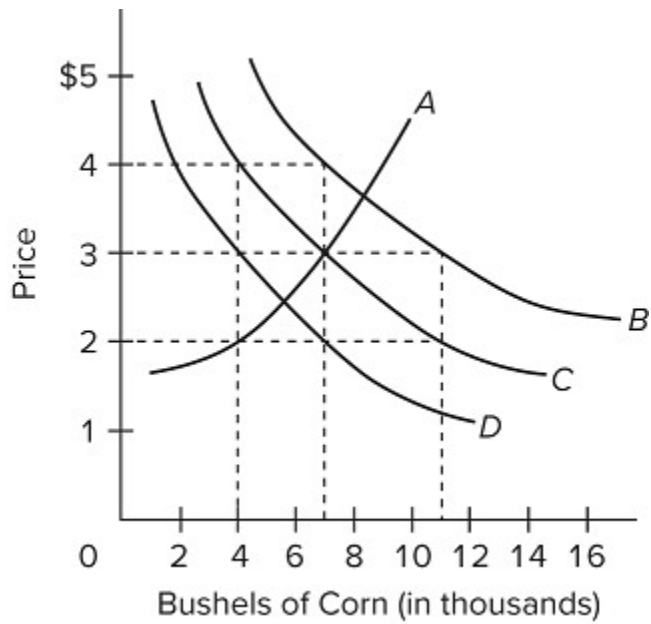
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-312 A nation can produce two...



Refer to the following table, which shows the quantities of corn demanded at various levels of corn price (hypothetical data).

Price Per Bushel	Bushels Demanded Per Year
\$ 5	2,000
4	4,000
3	7,000
2	11,000
1	16,000

Which curve in the graph shown above best represents the data in the table?

- A
- B
- D
- C

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-539 Refer to the following...

Which of the following is a positive economic statement?

Americans should buy American products in order to boost the national economy.

Stock prices rose to a new record last month for the fourth month in a row.

The minimum wage should be increased to give people a decent wage.

Government must maintain the current level of defense spending to keep the nation safe.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-118 Which of the following is...

Consider an economy that is producing inside its production possibilities curve. This economy could move closer toward its production possibilities curve by

employing more of its available resources.

distributing incomes more equally.

acquiring additional resources.

increasing the levels of wages and prices.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

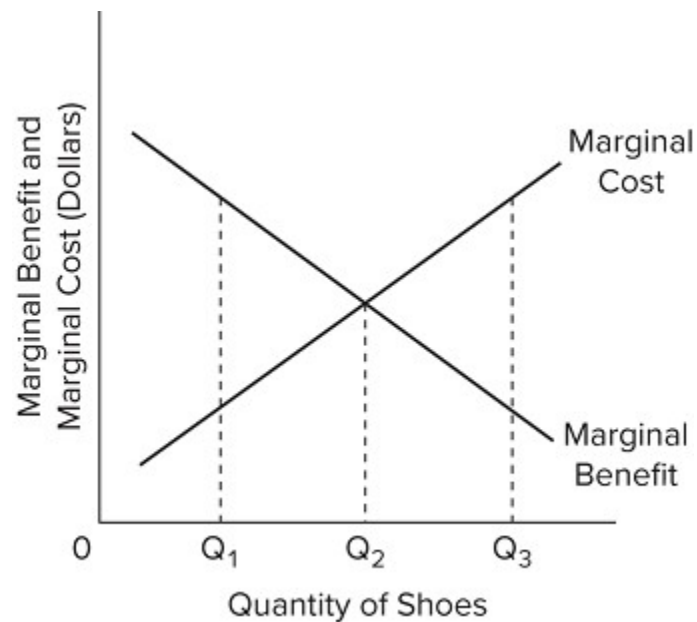
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-372 Consider an economy that is...



Refer to the diagram for athletic shoes. The optimal output of shoes is Q_1 .

greater than Q_3 .

Q_3 .

Q_2 .

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-284 Refer to the diagram...

Economic growth in a fully employed economy may be represented by

- a movement from one end of the production possibilities curve to the other.
- an upward-sloping production possibilities curve.
- a movement from a point inside to a point on the production possibilities curve.
- a rightward shift of the production possibilities curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-377 Economic growth in a fully...

Which of the following is *not* a main function of the entrepreneur?

- to assume the risk of economic losses
- to make routine pricing decisions
- to make strategic business decisions
- to innovate

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-176 Which of the following is...

Answer the question on the basis of the following production possibilities tables for two countries, North Cantina and South Cantina.

	North Cantina Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						
	South Cantina Production Possibilities					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the tables. Suppose that North Cantina is producing 2 units of capital goods and 17 units of consumer goods, while South Cantina is producing 2 units of capital goods and 21 units of consumer goods. We can conclude that neither South Cantina nor North Cantina is fully and efficiently using its resources.

South Cantina is fully and efficiently using its resources, but North Cantina is not.

North Cantina is fully and efficiently using its resources, but South Cantina is not.

both South Cantina and North Cantina are fully and efficiently using their resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-251 Answer the question on the...

Suppose that a consumer purchases just two goods, X and Y. The slope of the budget line would indicate the

opportunity cost of good X in terms of good Y given up for each unit of X.

maximum quantity of good X that the consumer could buy with a given budget.

maximum quantity of good Y that the consumer could buy with a given budget.

opportunity cost of good Y in terms of good X given up for each unit of Y.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-154 Suppose that a consumer purchases...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods						
Consumer Goods						

Refer to the table. Which of the following combinations of capital goods and consumer goods represents an efficient use of the economy's scarce resources?

- 20 units of consumer goods and 8 units of capital goods
- 30 units of consumer goods and 6 units of capital goods
- 46 units of consumer goods and 6 units of capital goods
- 36 units of consumer goods and 4 units of capital goods

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-211 Answer the question on the...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$1.50 and the price of a banana is \$0.75. What is the slope of the budget line if the quantity of apples were measured on the horizontal axis and bananas on the vertical axis?

- −0.8
- −1.6
- −0.5
- −2

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-158 Assume that a consumer has...

The production possibilities curve illustrates the basic principle that

an economy will automatically obtain full employment of its resources.

the production of more of any one good will in time require smaller and smaller sacrifices of other goods.

if all the resources of an economy are in use, more of one good can be produced only if less of another good is produced.

an economy's capacity to produce increases in proportion to its population size.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

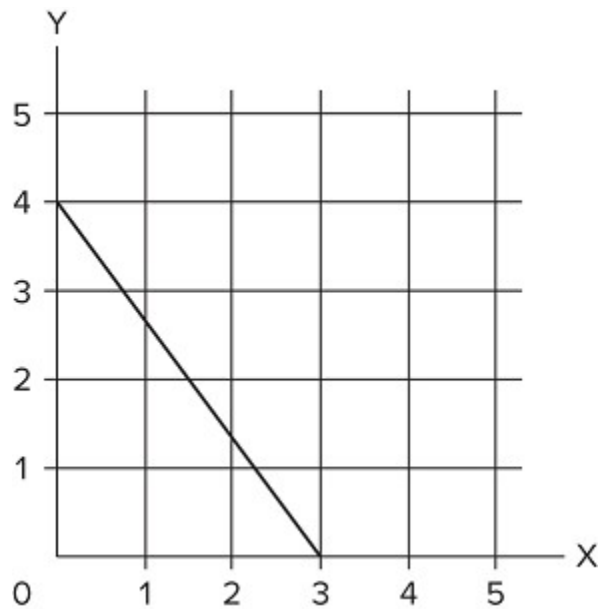
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-194 The production possibilities curve illustrates...



In the diagram, variables X and Y are unrelated.

inversely related.

both dependent variables.

directly related.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-508 In the diagram, variables...

Which of the following is a *correct* statement?

Because economics is primarily concerned with questions of "ought," it is a branch of applied ethics and not scientific.

Economic concepts or laws that are valid during recessions are necessarily valid during prosperity.

Economists use the scientific method. Therefore, economic laws are as quantitatively precise as the laws of physics or chemistry.

Although they are generalizations, economic laws are useful because they allow us to predict and therefore influence or adjust to events.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-72 Which of the following is...

Which of the following will cause an outward parallel shift of the budget line?

A decrease in money income

An increase in money income

An increase in the price of both goods

A decrease in the price of one of the goods

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-128 (Algo) Which of the following will...

Economic principles are value judgments about what the economy should be like or the way the economic world ought to be.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-445 Economic principles are value judgments...

When economists talk about the capital resources in the economy, they are referring to the amount of money circulating in the economy.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

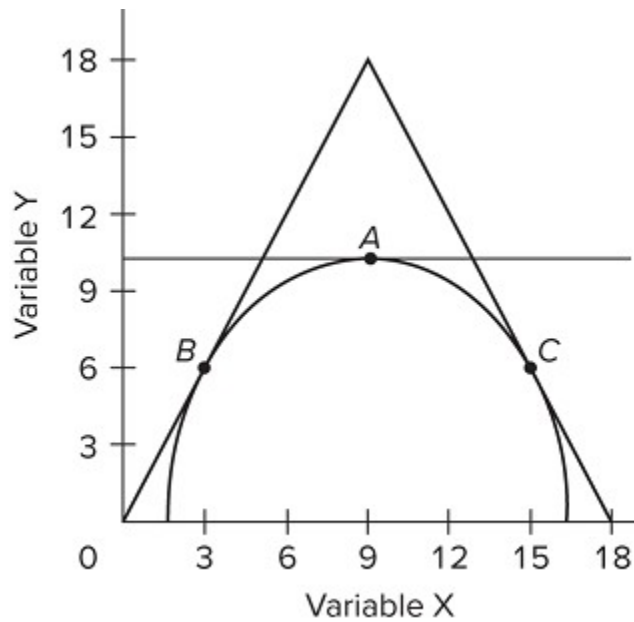
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : II

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-456 When economists talk about the...



Refer to the provided graph. As we move along the curve from point B to A to C, the slope of the tangent line is decreasing in algebraic value.

becoming more positive.

becoming less negative.

increasing in algebraic value.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-551 Refer to the provided...

Which of the following is a capital resource?

a computer programmer

a corporate bond issued by a computer manufacturer

software used by a firm

silicon (sand) used to make computer chips

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-167 Which of the following is...

If you knew that the vertical intercept for a straight line was 15, that the slope was -0.5 , and that the independent variable had a value of 8, the value of the dependent variable would be

9.

11.

8.

10.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-547 If you knew that the...

The lower the consumer's income, the higher his or her budget line.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-437 The lower the consumer's income,...

Positive statements are expressions of value judgments.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-410 Positive statements are expressions of...

Which of the following is a labor resource?

software used by a firm

silicon (sand) used to make computer chips

a computer

a computer programmer

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-166 Which of the following is...

Economic analysis assumes "purposeful behavior," which means that people will pursue decisions or actions

without making any logical mistakes.

with minimal consideration for their emotions.

that will increase their well-being.

always based on full or complete information.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

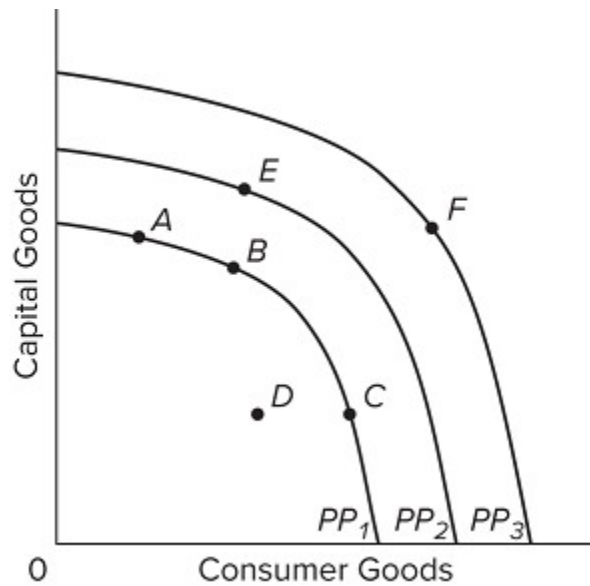
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-39 Economic analysis assumes "purposeful behavior,"...



Refer to the diagram. The concept of opportunity cost is best represented by the move from D inside PP1 to B on PP1.

shift of the production possibilities curve from PP1 to PP2.

move from B on PP1 to E on PP2.

move from B on PP1 to C on PP1.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-354 Refer to the diagram....

Is rational self-interest the same thing as selfishness? Explain.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

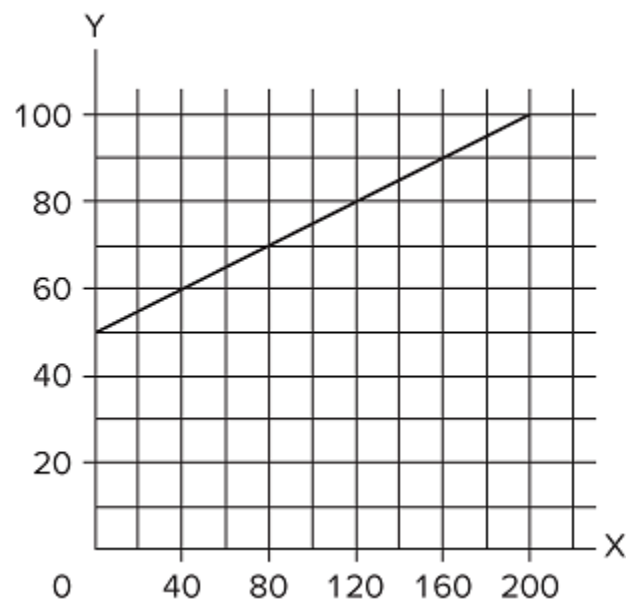
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-568 Is rational self-interest the same...



Refer to the diagram. The vertical intercept is 40.

is 60.

is 50.

cannot be determined from the information given.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-489 Refer to the diagram....

A recurring theme in economics is that people
have limited economic wants and limited resources.
have unlimited resources but limited economic wants.
can increase resources by limiting their economic wants.
have unlimited economic wants but limited resources.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-34 A recurring theme in economics...

Assume that an economy experiences greater production of both consumer goods and investment goods. We can definitively conclude that
the economy's production possibilities curve has shifted to the right.
any of these things might account for why production of both goods increased.
the economy is more efficiently matching resources to their best uses.
the economy was not employing all of its resources before the policy change.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

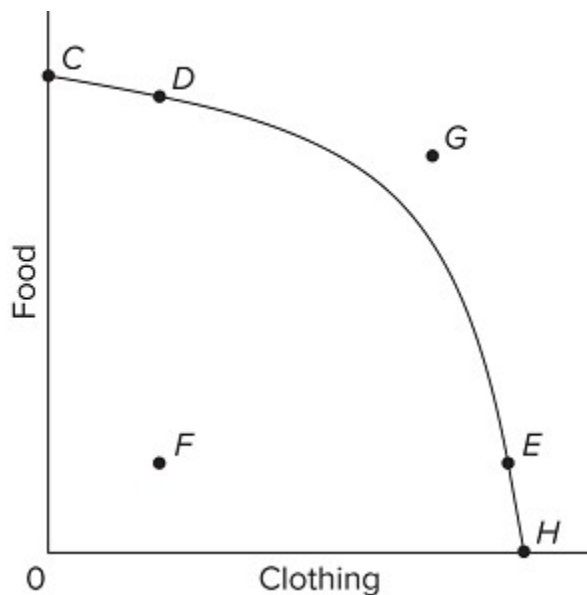
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-215 Assume that an economy experiences...



Refer to the provided graph. Which of the following statements about combination G is true?
The nation would much prefer to be at combination F than at combination G.

The nation cannot produce combination G even if the nation gets additional resources.

The nation can currently produce combination G, but not if the nation specializes and trades with another nation.

The nation may not be able to produce combination G, but it can consume that combination if it specializes and trades with other nations.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-375 Refer to the provided...

Reza says that "we should provide a universal basic income to reduce poverty." Iman states that "a universal basic income would increase spending and create inflationary pressure." We can conclude that

both statements are normative.

both statements are positive.

Reza's statement is normative, but Iman's is positive.

Iman's statement is normative, but Reza's is positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

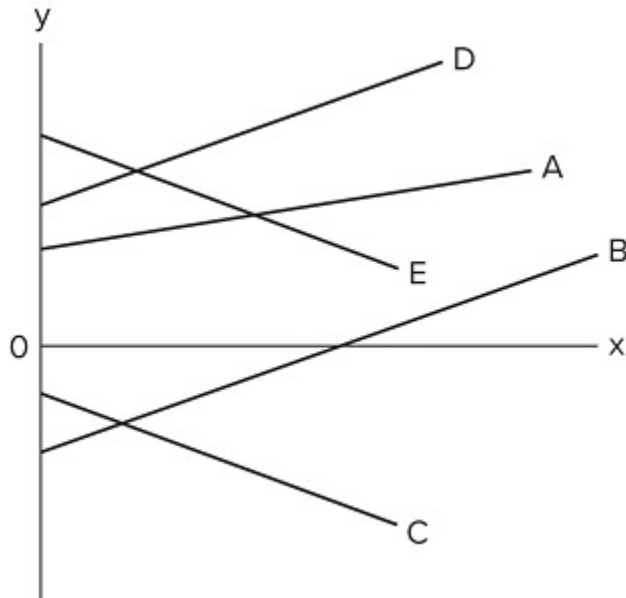
Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-105 Reza says that "we should...



Refer to the diagram. Assume that the horizontal axis measures the quantity of a good and the vertical axis measures the marginal-benefit and marginal cost of the good. Assuming that the good represented here has at least some positive benefits and costs, which line(s) represent(s) a possible marginal-benefit curve?

E only

both C and E

A, B, and D

both A and D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

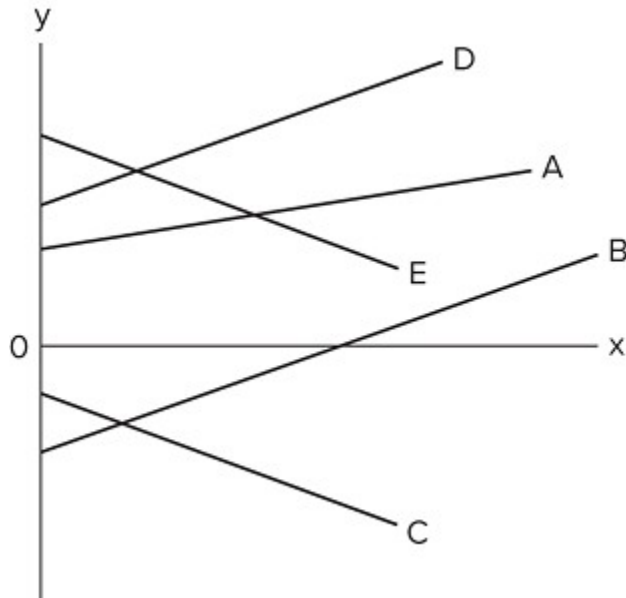
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-294 Refer to the diagram....



- Refer to the diagram. Which line(s) show(s) a positive relationship between x and y ?
- A only
 - A, B, and D
 - A and D only
 - both C and E

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-471 Refer to the diagram....

"The role of government in the economy should be kept to a minimum" is an example of a positive economic statement.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-451 "The role of government in...

A positive statement is one that

is derived by deduction.

is derived by induction.

focuses on facts, descriptions, and theoretical relationships.

focuses on the best course of action and is based on value judgments.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-97 A positive statement is one...

Marina claims that "the best way to stimulate the economy is to cut taxes." Sebastian counters that increased government spending is a better way to promote economic growth." We can conclude that

both statements are normative.

Sebastian's statement is normative, but Marina's is positive.

Marina's statement is normative, but Sebastian's is positive.

both statements are positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 03 Hard

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-106 Marina claims that "the best...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. If the economy is producing at production alternative C, the opportunity cost of the tenth unit of consumer goods will be approximately
2 units of capital goods.

4 units of capital goods.

1/3 of a unit of capital goods.

3 units of capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-204 (Algo) Answer the question on the...

From an economic perspective, when a consumer decides to buy more life insurance, the consumer has most likely concluded that the

marginal benefit of more insurance coverage is greater than the marginal cost.

marginal cost of more insurance coverage is equal to the payment for the extra coverage.

marginal cost of more insurance coverage is negative.

marginal benefit of more insurance coverage is greater than zero.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-51 From an economic perspective, when...

A typical concave (bowed out from the origin) production possibilities curve implies

that society is using a market system to allocate resources.

that society must choose among various attainable combinations of goods.

that economic resources are unlimited.

decreasing opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-245 A typical concave (bowed out...

If a nation is initially on its production possibilities curve, then it can increase its production of one good only by

decreasing the production of the other good.

holding constant the production of the other good.

increasing the production of the other good.

decreasing the price of the other good.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-326 If a nation is initially...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital Goods							
Consumer Goods							

- Refer to the tables. If West Podunk is producing at production alternative C, the opportunity cost of the thirty-seventh consumer good will be
- 1/16 capital good.
 - 16 capital goods.
 - 1/12 capital good.
 - 12 capital goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

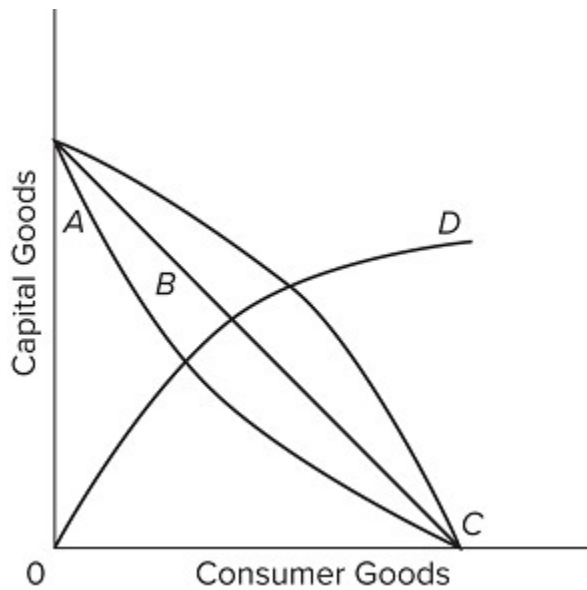
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-255a (Algo) Answer the question on the...



Refer to the diagram. All other things equal, curve C is a more desirable production possibilities curve for an economy than curve A.

is a less desirable production possibilities curve for an economy than curve B.

has a steeper slope throughout than curve B.

reflects increasing opportunity costs because the slope of the curve becomes less steep as one moves down along the curve.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-270 Refer to the diagram....

Purposeful behavior suggests that

an individual's economic goals cannot involve trade-offs.

resource availability exceeds economic wants.

individuals may make different choices because of different desired outcomes.

everyone will make identical choices.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-16 Purposeful behavior suggests that...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

In moving stepwise from possibility A to B to C ... to F, the marginal opportunity cost of a unit of steel in terms of wheat increases at first, then decreases.

remains constant.

decreases.

increases.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

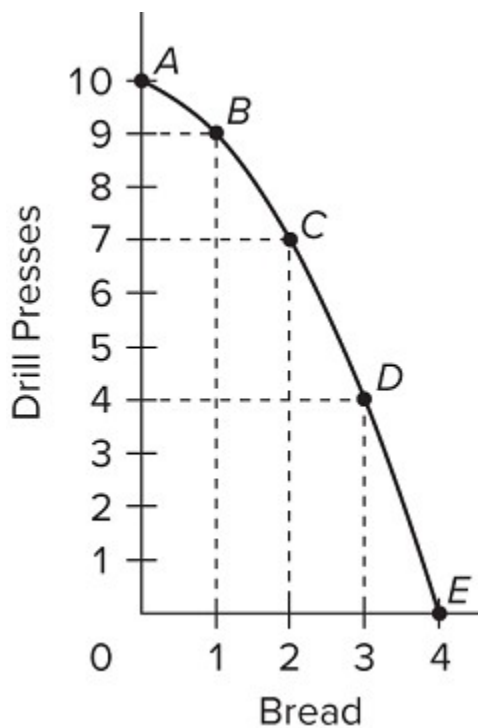
Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-307 A nation can produce two...

The following graph is the production possibilities curve of a nation.



The marginal opportunity cost of the fourth unit of bread is 1 unit of drill presses.

10 units of drill presses.

3 units of drill presses.

4 units of drill presses.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-324 The following graph is the...

A person should consume more of something when its marginal

benefit is still better.

cost equals its marginal benefit.

cost exceeds its marginal benefit.

benefit exceeds its marginal cost.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-11 A person should consume more...

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$2.00 and the price of a banana is \$1.00. This means that, in order to buy six bananas, this consumer must forgo

0.8 apples.

6 apples.

3 apples.

2 apples.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-161 (Algo) Assume that a consumer has...

The slope of a line parallel to the horizontal axis is

zero.

one.

one-half.

infinite.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-517 The slope of a line...

Suppose that Julia receives a \$40 gift card for the local coffee shop, where she only buys lattes and muffins. If the price of a latte is \$4 and the price of a muffin is \$2, then we can conclude that Julia

should only buy muffins.

can buy 10 lattes and 20 muffins with her \$40 gift card.

can buy 10 lattes or 20 muffins if she chooses to buy only one of the two goods.

should only buy lattes.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-145 (Algo) Suppose that Julia receives a...

Answer the question on the basis of the following five data sets, wherein it is assumed that the variable shown on the left is the independent variable and the one on the right is the dependent variable. Assume in graphing these data that the independent variable is shown on the horizontal axis and the dependent variable on the vertical axis.

(1)	(2)	(3)	(4)	(5)					
J	K	L	M	N	P	R	T	U	V
0	10	0	-15	100	40	0	-15	0	0
40	20	30	-5	80	50	20	-25	5	10
80	30	60	5	60	60	40	-35	10	20
120	40	90	15	40	70	60	-45	15	30
160	50	120	25	20	80	80	-55	20	40
200	60	150	35	0	90	100	-65	25	50

Refer to the data sets. Which of the data sets would graph as an upward-sloping line?

1, 2, and 3 only

4 and 5 only

1 only

1, 2, and 5 only

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-504 Answer the question on the...

Jamal has an hour of free time available for studying, sleeping, or running. If Jamal decides to study for that hour, what is the opportunity cost of that decision?

the lost sleep.

both the lost sleep and forgone run.

the run that was sacrificed in order to study.

It is impossible to determine the opportunity cost for Jamal without knowing which activity was the next best alternative.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-56 Jamal has an hour of...

Answer the question on the basis of the following data.

After-Tax Income	Consumption
\$ 1,000	\$ 900
2,000	1,800
3,000	2,700
4,000	3,600
5,000	4,500

- The data suggest that
- a tax increase will increase consumption.
 - consumption varies directly with after-tax income.
 - consumption and after-tax income are unrelated.
 - consumption varies inversely with after-tax income.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-484 Answer the question on the...

Answer the question on the basis of the following production possibilities table for two countries, West Podunk and East Podunk.

		West Podunk Production Possibilities					
		A	B	C	D	E	F
Capital							
Goods							
Consumer							
Goods							
		East Podunk Production Possibilities					
		A	B	C	D	E	F
Capital							
Goods							
Consumer							
Goods							

Refer to the table. The opportunity cost of the thirty-seventh unit of consumer goods cannot be determined from the information provided.

is higher in East Podunk than in West Podunk.

is lower in East Podunk than in West Podunk.

is the same in West Podunk and East Podunk.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-259 (Algo) Answer the question on the...

Specialization and international trade allow a nation to

consume a combination of goods that is beyond (or outside) its production possibilities.

have an upward-sloping production possibilities curve.

produce a combination of goods that is beyond (or outside) its production possibilities.

consume a lot of goods without having to produce any output.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-391 Specialization and international trade allow...

Because economic generalizations are simplifications from reality, they are impractical and useless.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-407 Because economic generalizations are simplifications...

The question below is based on the following four sets of data-pairs: (1) A and B, (2) C and D, (3) E and F, and (4) G and H. In each set, the independent variable is in the left column and the dependent variable is in the right column.

(1)	(2)	(3)	(4)				
A	B	C	D	E	F	G	H
0	6	2	10	0	12	0	3
7	5	3	20	1	10	2	5
14	4	4	30	2	8	4	7
21	3	5	40	3	6	6	9

Which of the four sets of data-pairs show an inverse relationship between the independent and dependent variable?

2 and 3

1 and 3

3 and 4

2 and 4

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : II

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-526 The question below is based...

Money is not an economic resource because

it is not scarce.

idle money balances do not earn interest income.

money is not a free gift of nature.

money, as such, does not produce anything.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

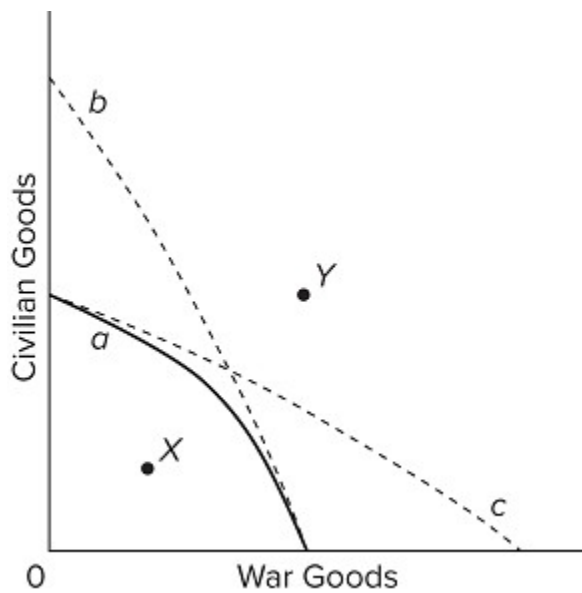
Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing problem

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-172 Money is not an economic...



Refer to the diagram. The movement from curve a to curve c suggests an improvement in civilian goods technology but not in war goods technology.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-434 Refer to the diagram....

At fast-food restaurants

consumers enjoy complete and accurate information.

decisions are usually made by trial and error.

decisions entail comparisons of marginal costs and marginal benefits.

benefits always exceed costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-54 At fast-food restaurants...

The law of increasing opportunity costs states that

increases in wages and other resource costs is what the increasing opportunity costs refer to.

increases in the production of one good make the production of that good easier.

costs of production increase for one good, but costs decrease for the other good.

increases in the production of one good require larger and larger sacrifices of the other good.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-328 The law of increasing opportunity...

Which of the following statements, if any, is correct for a nation that is producing only consumer and capital goods?

None of these statements are correct.

Other things equal, the more capital goods a nation produces, the greater will be its future growth rate.

There is no general relationship between the current division of output between consumer and capital goods and the future growth rate.

Other things equal, the more consumer goods a nation produces, the greater will be its future growth rate.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-358 Which of the following statements,...

If a nation is operating at a point inside the production possibilities curve, it indicates that the nation could

increase its production of one good, but only at the expense of reducing the other good.

not employ any more resources, because all resources are now employed.

increase its production of both goods X and Y simultaneously.

not produce any more of one of the goods X or Y.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-371 If a nation is operating...

A nation can produce two products: steel and wheat. The following table is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Which of the following output-combinations is unattainable?

4 steel and 55 wheat

30 wheat and 3 steel

95 wheat and 0 steel

1 steel and 80 wheat

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

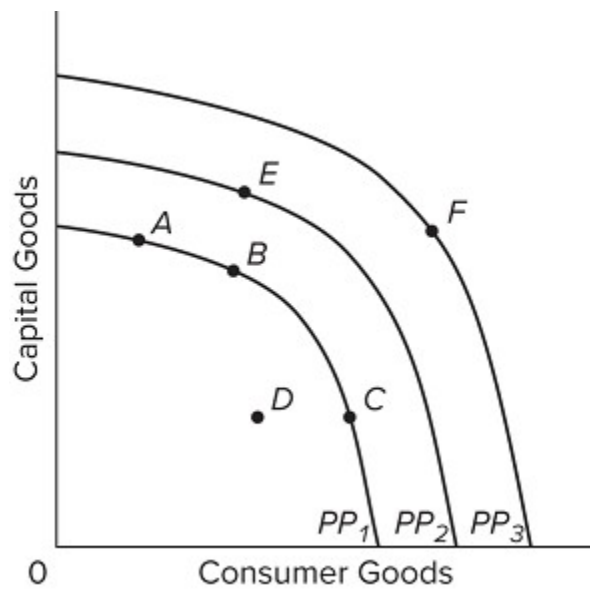
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-303 (Algo) A nation can produce two...



Refer to the diagram. The concept of opportunity cost is best represented by the shift of the production possibilities curve from PP_1 to PP_2 .

move from B on PP_1 to A on PP_1 .

move from A on PP_1 to E on PP_2 .

move from D inside PP_1 to A on PP_1 .

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-354 (Algo) Refer to the diagram...

Which of the following statements regarding people's wants is true?

People's wants do not include their basic needs.

As people consume more products, their wants will be reduced.

Intangible services, just like tangible goods, may satisfy people's wants.

Over time, people's wants tend to be stable and constant.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-150 Which of the following statements...

The construction of a production possibilities curve assumes

the quantities of all resources are unlimited.

technology is fixed.

there is no inflation in the economy.

some resources are unemployed.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-244 The construction of a production...

Assume the price of product Y (the quantity of which is on the vertical axis) is \$15 and the price of product X (the quantity of which is on the horizontal axis) is \$3. Also assume that money income is \$60. The absolute value of the slope of the resulting budget line is

20.

1/5.

4.

5.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

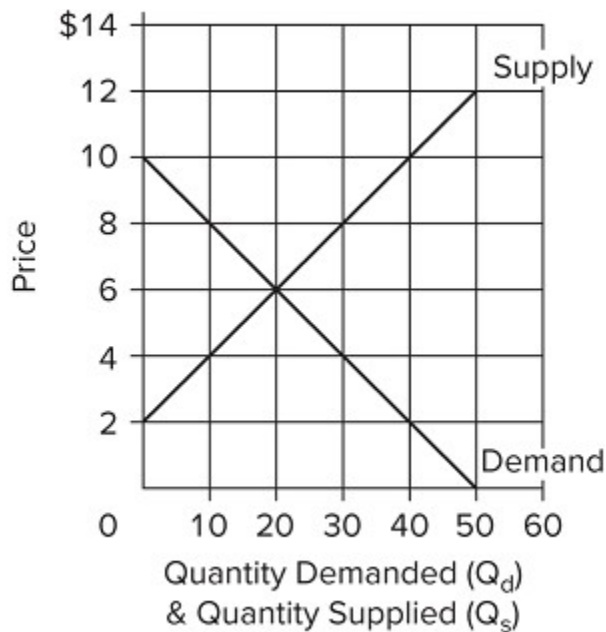
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-142 Assume the price of product...



Refer to the graph. Using Q_d for quantity demanded and P for price, which of the following equations correctly states the demand for this product?

$P = 10 - 0.2Q_d$

$P = 50 - P \div 2$

$P = 10 - 2Q_d$

$P = Q_d/10$

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-08 (Appendix) Understand graphs, curves, and slopes as they relate to economi

Test Bank : I

Topic : Appendix: Graphs and Their Meaning

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-495 Refer to the graph....

A point or product-combination to the left of (or inside) a budget line

is unattainable, but a combination or point to the right of the line is attainable.

costs more than a combination or point outside the budget line.

is attainable, but a combination or point to the right of the line is unattainable.

costs more than a combination or point on the budget line.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-155 A point or product-combination to...

Answer the question on the basis of the data given in the following production possibilities table.

	Production Possibilities (Alternatives)					
	A	B	C	D	E	F
Capital Goods				2	1	0
Consumer Goods				1 2	1 4	1 5

Refer to the table. A total output of 3 units of capital goods and 4 units of consumer goods is unobtainable in this economy.

will result in the maximum rate of growth available to this economy.

would involve an inefficient use of the economy's scarce resources.

is irrelevant because the economy is capable of producing a larger total output.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-206 Answer the question on the...

(Last Word) What are some of the pitfalls to sound economic reasoning?

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-585 (Last Word) What are some...

If economic theories are solidly based on relevant facts, then appropriate economic policy becomes obvious and uncontroversial.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

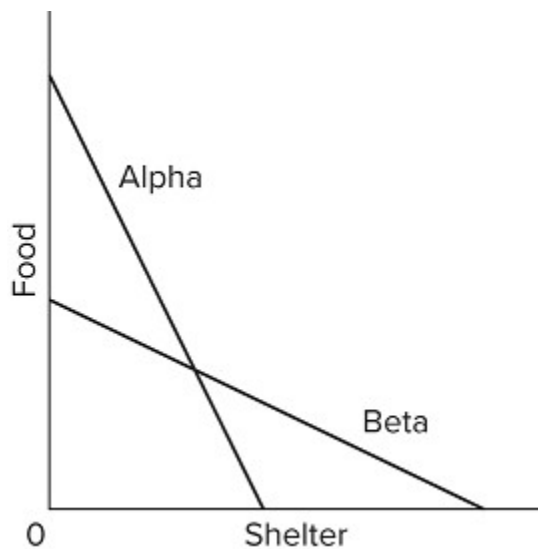
Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-408 If economic theories are solidly...



- In the figure are two linear production possibilities curves for countries Alpha and Beta. We can conclude that
- the opportunity cost of food is greater in Alpha than it is in Beta.
 - the opportunity cost of shelter is greater in Alpha than it is in Beta.
 - different value systems make it impossible to compare opportunity costs in the two countries.
 - the opportunity cost of shelter is greater in Beta than it is in Alpha.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-230 In the figure are...

A well-tested economic theory is often called

a prototype.

an anomaly.

a principle.

a hypothesis.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-68 A well-tested economic theory is...

List the four resource categories, and give a brief description of each.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : III

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-577 List the four resource categories,...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Which of the following combinations of the two goods is optimal for this society?

3 units of steel and 55 units of wheat

2 units of steel and 75 units of wheat

4 units of steel and 30 units of wheat

It is impossible to determine the optimal combination with the information provided.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-308 A nation can produce two...

Some agricultural sub-Saharan nations of Africa have overfarmed and overgrazed their land to the extent that significant portions of it have turned into desert. This suggests that

the production possibilities curves of such nations are more bowed out from the origin.

the production possibilities curves of such nations have shifted inward.

the production possibilities curves of such nations have shifted outward.

these nations are operating at some point outside of their production possibilities curves.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-364 Some agricultural sub-Saharan nations of...

The opportunity cost to a consumer who smokes cigarettes consists of the

cost of complementary products such as lighters, ashtrays, and cigarette holders.

amount of cigarette taxes paid by this consumer.

products that the consumer could have bought instead of cigarettes.

costs imposed on others who inhale second hand smoke.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

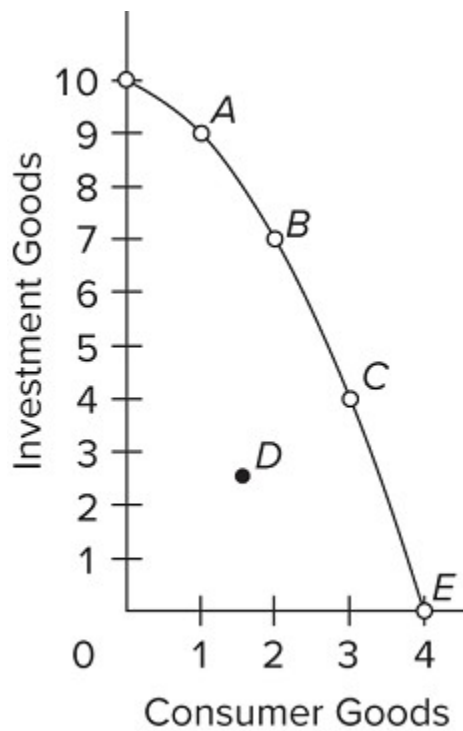
Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : II

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-44 The opportunity cost to a...



Refer to the provided graph. All of the following developments would allow a movement from point C to a point outside the production possibilities curve, except an increase in the supply of resource.

a reduction in unemployment of resources.

an improvement in the quality of resources.

a technological advance.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : II

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-382 Refer to the provided...

Consumers spend their incomes to get the maximum benefit or satisfaction from the goods and services they purchase. This is a reflection of

resource scarcity and the necessity of choice.

purposeful behavior.

marginal costs that exceed marginal benefits.

the trade-off problem that exists between competing goals.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-22 Consumers spend their incomes to...

Camille is at the candy store with Grandma Mary, who offers to buy her \$6 worth of candy. If lollipops are \$1 each and candy bars are \$2 each, what combination of candy can Camille's Grandma Mary buy her?

six lollipops and three candy bars

two lollipops and two candy bars

three lollipops and two candy bars

one lollipop and three candy bars

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

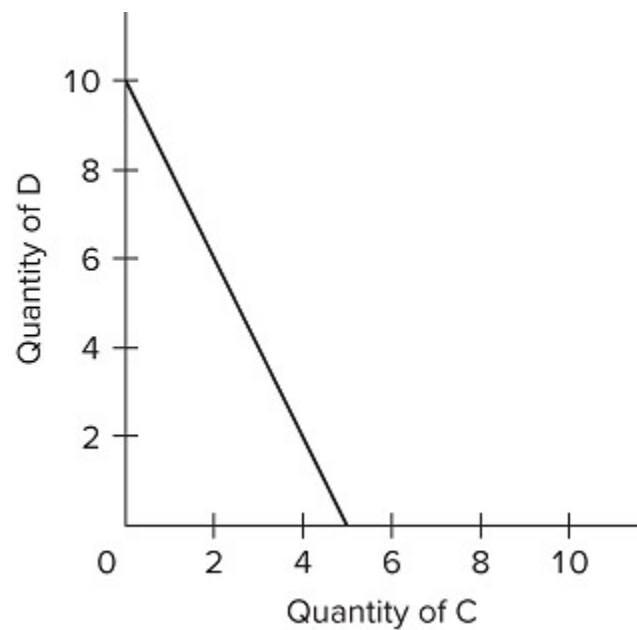
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-147 Camille is at the candy...



Refer to the budget line shown in the diagram. Which of the following combinations of goods is attainable but does not exhaust the consumer's budget?

3 units of C and 2 units of D

3 units of C and 5 units of D

0 units of C and 10 units of D

2 units of C and 6 units of D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

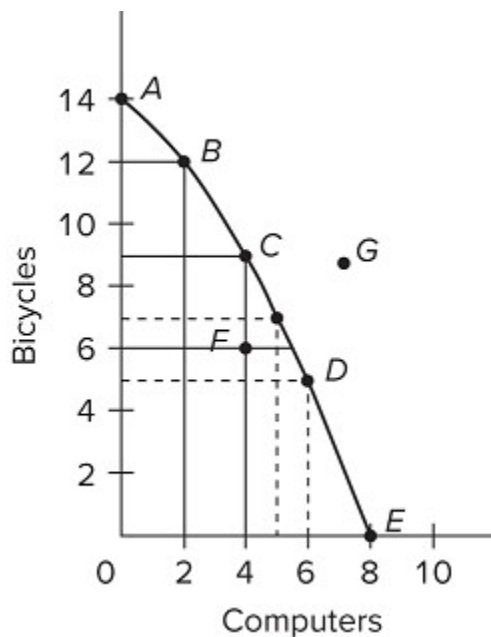
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-127 (Algo) Refer to the budget line...



Refer to the diagram. Suppose this economy is currently producing at point D. For this economy to produce at point G, it would have to

- implement policies that increase government spending.
- expand its resources or improve its technology.
- use existing resources and technology more efficiently.
- change its preferences.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

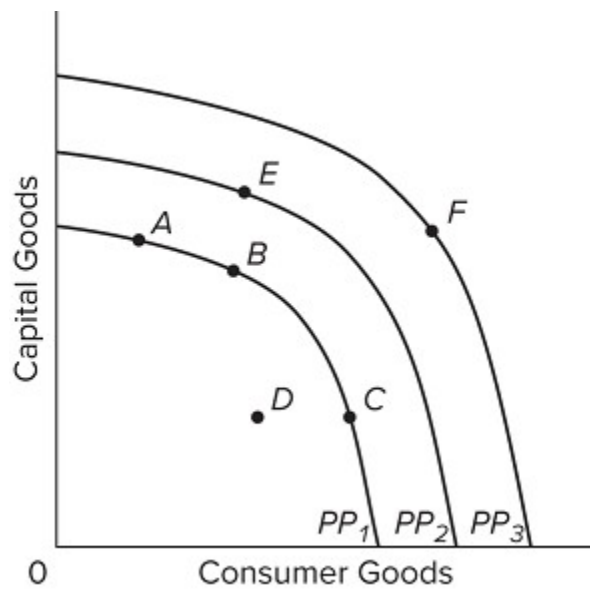
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-267 Refer to the diagram....



Refer to the diagram. Other things equal, which of the following positions relative to PP_1 would be the most likely to result in a future production possibilities curve of PP_3 rather than PP_2 ?

- A
- D
- C
- B

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

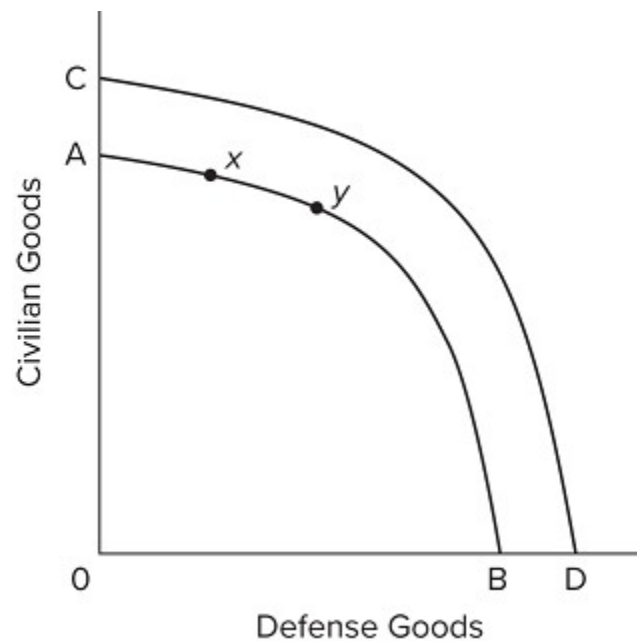
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-355 Refer to the diagram....



Refer to the diagram. The U.S. response to the events of September 11, 2001, is illustrated by the

shift of the production possibilities curve from CD to AB.

move from y to x on production possibilities curve AB.

move from x to y on production possibilities curve AB.

shift of the production possibilities curve from AB to CD.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-336 Refer to the diagram....

Explain the economic rationale for the law of increasing opportunity costs.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : III

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-579 Explain the economic rationale for...

If falling gasoline prices are good for the consumers, then they must be good everyone in the economy.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : II

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-446 If falling gasoline prices are...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that the amount and quality of resources are the same in both countries. We can conclude that

Herbania is technologically better than Duckistan at producing both military goods and civilian goods.

Duckistan is technologically better than Herbania at producing military goods.

the total opportunity cost of producing 4 units of military goods is the same in both countries.

Herbania is technologically superior to Duckistan in producing civilian goods.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-225 Refer to the tables. Suppose that" instead of,...

Which of the following is a positive statement?

We should reduce the unemployment rate by 1 percent.

The best way to reduce unemployment is with government jobs programs.

The unemployment rate is too high.

The unemployment rate is 4.6 percent.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : I

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-99 Which of the following is...

Which of the following will *not* produce an outward shift of the production possibilities curve?

upgrading the quality of a nation's human resources

improving a society's technological knowledge

reducing unemployment

increasing the quantity of a society's labor force

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-195 Which of the following will...

A nation can produce two products: steel and wheat. The table below is the nation's production possibilities schedule.

Production Possibilities						
Product	A	B	C	D	E	F
Steel	0	1	2	3	4	5
Wheat	100	90	75	55	30	0

Which of the following output-combinations is unattainable?

1 steel and 80 wheat

30 wheat and 3 steel

4 steel and 55 wheat

95 wheat and 0 steel

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : II

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-303 A nation can produce two...

If a firm produces too little of a particular good, this would suggest that

the good is being produced at a point where marginal benefit exceeds marginal cost.

rational choice cannot be applied to many economic decisions.

government should intervene to produce more of the good.

the good is being produced at a point where marginal costs exceed marginal benefits.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-23 If a firm produces too...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14		
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that technology and the quality of resources are the same in both countries. We can conclude that prices are twice as high in Herbania as in Duckistan.

Duckistan has greater opportunity costs than Herbania.

Duckistan has more resources than Herbania.

Herbania has more resources than Duckistan.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-226 Refer to the tables. Suppose that" instead of,...

As defined by economists, capital can take the form of either tangible objects or intangible ideas produced by humans.

true

false

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain societys economizing p

Test Bank : II

Topic : Societys Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB TF Qu. 01-457 As defined by economists, capital...

Which of the following would *not* be classified as an economic resource by economists?

water in a town's reservoir

the manager of the local hamburger restaurant

money in a business checking account

a professional soccer player

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-05 List the categories of scarce resources and explain society's economizing p

Test Bank : I

Topic : Society's Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-179 Which of the following would...

(Consider This) A direct cost of going to college is

tuition, while an indirect cost (opportunity cost) is books and other supplies.

books and supplies, while an indirect cost (opportunity cost) is food and housing.

tuition, while an indirect cost (opportunity cost) is forgone income while in college.

forgone income while in college, while an indirect cost (opportunity cost) is tuition.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-394 (Consider This) A direct cost...

Assuming a fixed amount of menu space, Starbucks should

only offer a new menu item if it replaces one for which the gap between MB and MC is smaller.

always choose to add first those items that generate the most revenue.

not risk losing profitable menu items by adding new ones.

always add a new item if it would be profitable, even if it means bumping an existing profitable item.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-401 Assuming a fixed amount of...

Matt observes that "there is a high correlation between educational attainment and the level of income." Jean concurs and adds that "high school graduates should all proceed to college."

Both Matt's and Jean's statements are positive.

Matt's statement is positive, while Jean's statement is normative.

Both Matt's and Jean's statements are normative.

Matt's statement is normative, while Jean's statement is positive.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Analyze

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-03 Distinguish microeconomics from macroeconomics and positive economics from

Test Bank : II

Topic : Microeconomics and Macroeconomics

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-116 Matt observes that "there is...

Briefly describe the three interrelated features of the economic perspective.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : III

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB ES Qu. 01-565 Briefly describe the three interrelated...

Which of the following does an individual's budget line *not* reveal?

how much of each good the individual wants

that a person faces scarcity in terms of what their limited income can purchase

what combinations of the two goods an individual can attain

the opportunity cost of one good in terms of the other

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

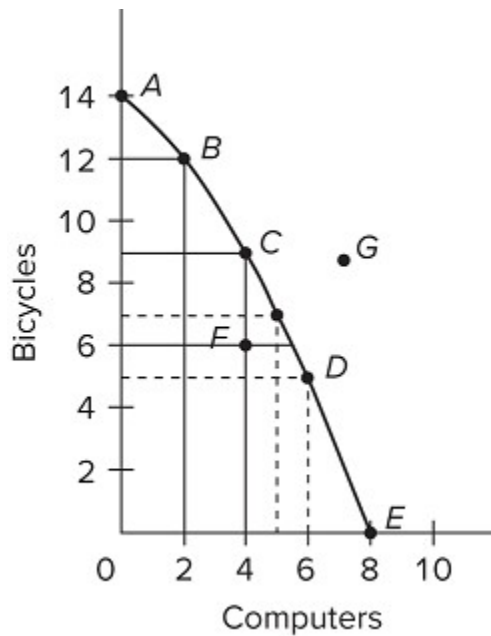
Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-164 Which of the following does...



Refer to the diagram. If society is currently producing the combination of bicycles and computers shown by point D, the production of 2 more units of bicycles cannot be achieved because resources are fully employed.

will cost 2 units of computers.

will cause some resources to become unemployed.

will cost 1 unit of computers.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

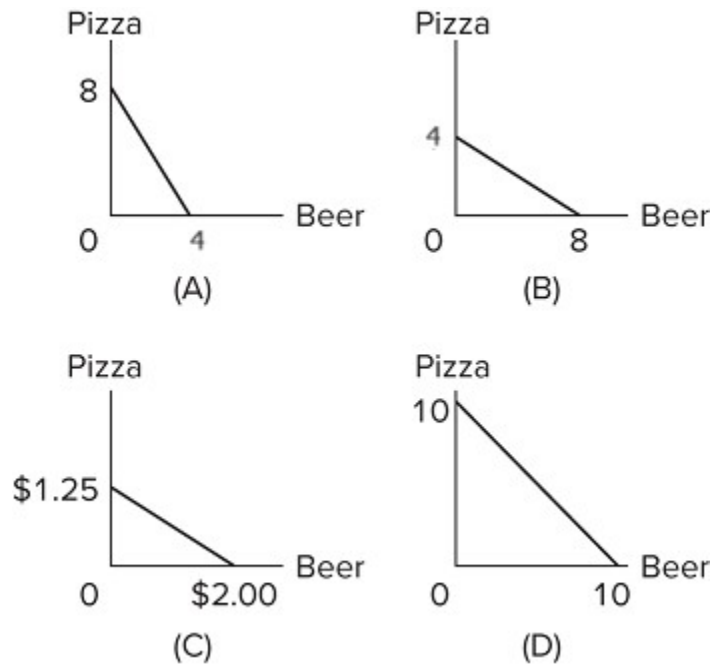
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-264 Refer to the diagram....



Refer to the graphs. Assume that pizza is measured in slices and beer in pints. In which of the graphs is the opportunity cost of a slice of pizza equal to two beers?

graph A

graph B

graph C

graph D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : I

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-143 (Algo) Refer to the graphs. Assume that pizza...

Duckistan Production Possibilities					
	A	B	C	D	E
Civilian Goods	20	18	14	1	
Military Goods	0	1	2		

Herbania Production Possibilities					
	A	B	C	D	E
Civilian Goods	40	36	26	14	
Military Goods	0	1	2	3	

Refer to the tables. Suppose that technology and the quantity of resources are the same in both countries. We can conclude that

Duckistan has better economic policies than Herbania.

Herbania has higher quality resources than Duckistan.

prices are lower in Herbania as in Duckistan.

Duckistan has higher quality resources than Herbania.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

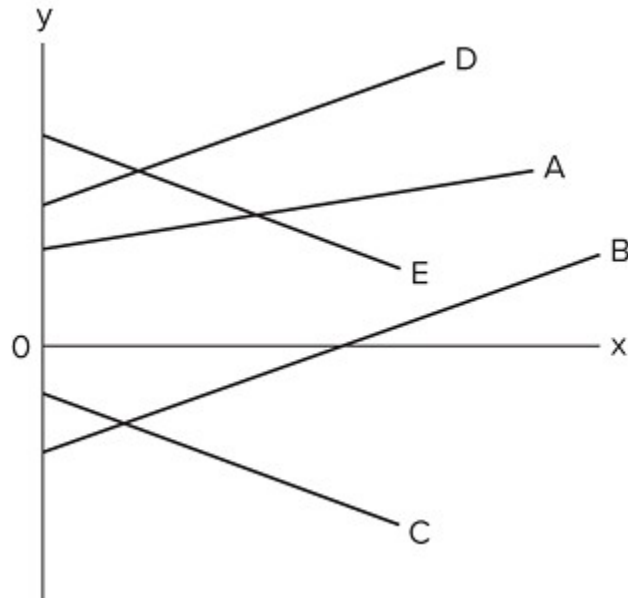
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-226b (Algo) Refer to the tables. Suppose...



Refer to the diagram. Assume that the horizontal axis measures the quantity of a good and the vertical axis measures the marginal benefit and marginal-cost of the good. Assuming that producing any amount of a good comes with positive costs, which line(s) represent(s) best represent possible marginal-cost curve(s)?

both A and D

both C and E

E only

A, B, and D

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

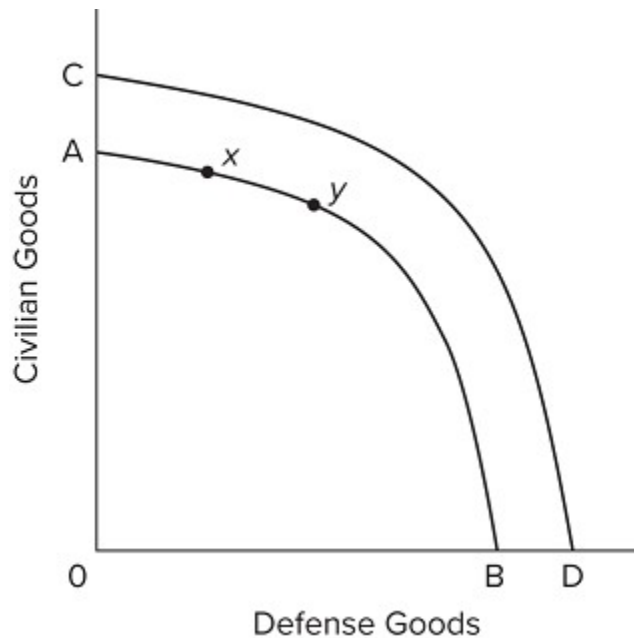
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-295 Refer to the diagram....



Refer to the diagram. Suppose that point y represents the optimal combination of civilian goods and defense goods. We can conclude that at y, the marginal benefit of defense goods is zero.

exceeds the marginal cost of defense goods.

equals the marginal cost of defense goods.

is negative.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-337 Refer to the diagram....

Assume that a consumer has a given budget or income of \$12 and that she can buy only two goods, apples or bananas. The price of an apple is \$2.00 and the price of a banana is \$1.00. If the consumer decides to buy 3 apples, how many bananas can she also buy with the remainder of her budget, assuming she exhausts her income?

12 bananas

6 bananas

8 bananas

10 bananas

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-04 Explain the individual's economizing problem and illustrate trade-offs, op

Test Bank : II

Topic : Individuals Economizing Problem

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-159 (Algo) Assume that a consumer has...

(Consider This) "Free" products offered by firms

are usually items nobody wants.

may or may not be free to society but are never free to individuals receiving them.

may or may not be free to individuals receiving them but are never free to society.

are produced and distributed at no cost to society.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Remember

Business Competency : Reflective Thinking

Difficulty : 01 Easy

Learning Objective : 01-01 Define economics and explain the economic perspective.

Test Bank : I

Topic : The Economic Perspective

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-392 (Consider This) "Free" products offered...

Kelly works at an ice cream shop and observes that the number of people buying ice cream varies greatly from day to day. For a couple of weeks, she has recorded the number of people at

the shop each day, as well as the daily temperature. If Kelly is using the scientific method to better understand ice cream buying habits, her next step is to

use the observed data to form a hypothesis about ice cream buying behavior.

state her findings as a well-tested economic principle.

conclude definitively that people buy more ice cream when the temperature rises.

throw out the data if it does not show a perfect relationship between buying habits and the other information she has collected.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

Learning Objective : 01-02 Describe the role of economic theory in economics.

Test Bank : I

Topic : Theories, Principles, and Models

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-78 Kelly works at an ice...

The quantity of digital music players produced should be

reduced to zero if their unit costs exceed the unit costs of alternative products.

reduced if marginal benefits exceed marginal costs.

increased if marginal costs exceed marginal benefits.

reduced if marginal costs exceed marginal benefits.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 02 Medium

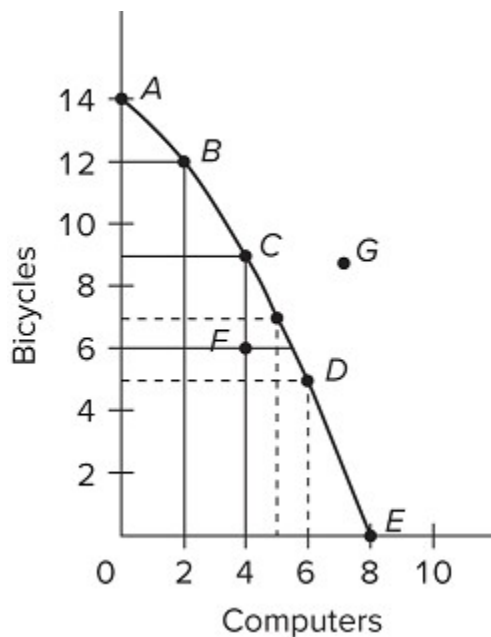
Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-280 The quantity of digital music...



Refer to the diagram. Suppose this economy is currently producing at point F. For this economy to produce at point C, it would have to change its preferences.

use existing resources and technology more efficiently.

implement policies that increase government spending.

expand its resources or improve its technology.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Algorithmic

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-267 (Algo) Refer to the diagram. Suppose this economy...



Refer to the diagram. The effects of the COVID-19 pandemic are shown by the shift of the production possibilities curve from AB to

AF.

CD.

EB.

GH.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Understand

Business Competency : Reflective Thinking

Difficulty : 02 Medium

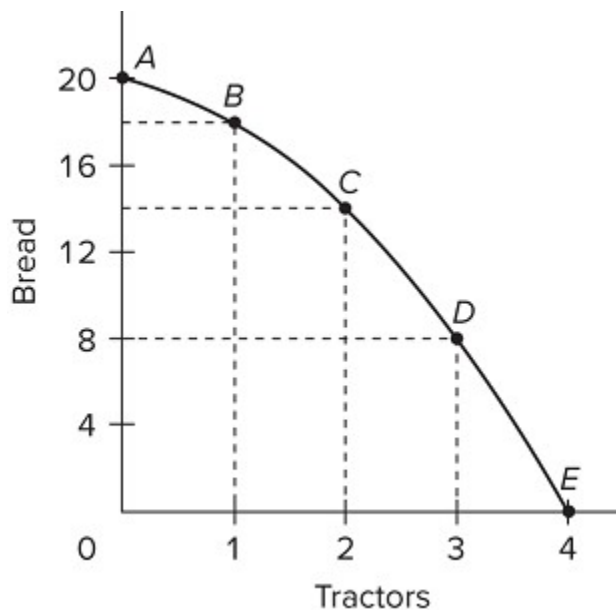
Learning Objective : 01-07 Explain how economic growth and international trade increase consumption p

Test Bank : I

Topic : Unemployment, Growth, and the Future

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-349 Refer to the diagram....



Refer to the diagram. Starting at point A, the opportunity cost of producing each successive unit of tractors is

2, 4, 6, and 8 units of bread.

8, 6, 4, and 2 units of bread.

the reciprocal of the output of tractors.

a constant 2 units of bread.

Question Details

Accessibility : Keyboard Navigation

Accessibility : Screen Reader Compatible

Bloom's : Apply

Business Competency : Knowledge Application

Difficulty : 03 Hard

Learning Objective : 01-06 Apply production possibilities analysis.

Test Bank : I

Topic : Production Possibilities Model

Type : Graph

Type : Static

Source : Chapter 01 Test Bank - Static and Algo > TB MC Qu. 01-235 Refer to the diagram....

Answer Key

Test name: Ch1_Microeconomics_23e

A

A

B

The optimal quantity in the diagram is Q2. To decrease the optimal quantity to Q1, either the marginal benefit would have to decrease, or the marginal cost would have to increase.

C

B

C

The curve exists because resources are scarce. The negative slope reflects opportunity cost. The points on the curve identify what combinations of the two goods are available to society.

A

FALSE

D

TRUE

A

TRUE

TRUE

C

B

The price of each good is found by dividing the given money income by the maximum quantity of the good that can be purchased. For example, with an income of \$40 and a maximum quantity of C of 5 units, the price of C is \$8 ($= \$40 \div 5$).

B

B

C

To find the total opportunity cost of producing "X" number of tanks (e.g., three units), subtract the number of autos corresponding with the production alternative for the number of tanks produced (e.g., at production alternative of three tanks, 650 autos are produced) from the maximum number of autos that can be produced (1,000). For 350 tanks produced, the total opportunity cost is 350 ($= 1,000 - 650$).

A

Essay

An inverse relationship between two variables means that the variables change in opposite directions. So, if the first variable increases, the second variable will decrease in response. If the first variable decreases, the second variable will increase. An inverse relationship graphs as a down sloping line.

C

D

If a consumer spends all of their income on the two goods, apples and bananas, then their total spending must equal their income (or budget). The total expenditure (E) for each combination of apples (A) and bananas (B) is found using the following formula: $E = P_A A + P_B B$, where P_A and P_B are the prices of apples and bananas, respectively. In this example, since the consumer spends on just apples or just bananas, the maximum amounts are found where $E = P_A A$, and $E = P_B B$.

D

D

A

C

To find the (opportunity) cost of the additional units of computers, take the difference between the starting and ending values for bicycles. For example, if society is currently producing 5 units of bicycles and 6 units of computers, in order to produce 8 units of computers, bicycle output will have to fall to 0 units. That makes the cost of the computer increase of 2 units equal to 5 ($= 5 - 0$).

A

The optimal quantity in the diagram is Q2. To increase the optimal quantity to Q3, either the marginal benefit would have to increase, or the marginal cost would have to decrease.

D

D

B

A

A

FALSE

D

FALSE

A

FALSE

D

To find the opportunity cost of the "nth" unit (e.g., the tenth unit) of consumer goods, divide two (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the thirty-seventh unit, the alternatives on either side are 36 and 46 units of consumer goods; their difference is 10 ($= 46 - 36$). For the thirty-seventh unit of consumer goods, the opportunity cost $= 1/5 (= 2/10)$ of a unit of capital goods.

A

D

The various combinations in the table represent points on a production possibilities curve. An economy efficiently using its scarce resources will produce at a point on the curve. An economy can't produce outside the curve. Producing inside the curve is inefficient.

B

A

B

$\$0.50 = 10 \div 20$; $\$1.00 = 10 \div 10$; alternatively, price = money income divided by the quantity of the good at the intercept. The price for each good is found by taking the money income and dividing by the quantity of that good at the intercept.

B

B

C

B

Any point that would lie on or inside the production possibilities curve is attainable. Anything that would lie outside (e.g. 9 drill presses and 2 bread) is unattainable.

Essay

Entrepreneurs take the initiative in combining resources to produce a good or service; make the strategic business decisions for the enterprise; innovate by commercializing new products, new production techniques, or even new forms of business organization; and bear risk—they take on risk by devoting their time, effort, and ability to commercialize new products and ideas.

A

D

A

D

TRUE

C

D

B

A

C

FALSE

C

Improvements in technology shift out the production possibilities curve, usually allowing a society to produce more of both goods. Visually this is represented by moving from one curve to a curve further to the right (e.g. from PP1 to PP3).

C

B

TRUE

C

The household spending, unemployment, and inflation are all macroeconomic issues. Of the options given, car prices are the best example of a microeconomic statement because it focuses on a particular market.

D

B

A

A

D

A

A

A

Gas prices, toilet paper, and Starbucks all point to specific industries, so they are microeconomic topics. Inflation is clearly a macroeconomic issue.

B

If a consumer spends all of their income on the two goods, apples and bananas, then their total spending must equal their income (or budget). The total expenditure (E) for each combination of apples (A) and bananas (B) is found using the following formula: $E = P_A A + P_B B$, where P_A and P_B are the prices of apples and bananas, respectively. In this example, since the consumer spends on just apples or just bananas, the maximum amounts are found where $E = P_A A$, and $E = P_B B$.

C

To find the opportunity cost of producing "X" number of additional autos (e.g. 50 between combinations B to A), find the change in the output of tanks over same range (e.g. from B to A, the change in the number of tanks is 1 ($= 1 - 0$)).

D

The combination referenced is greater than what is currently achievable in the table. The only way to expand production possibilities to make that combination attainable is to expand resources or improve technology. Reducing unemployment or better matching skills with jobs would move us from a point inside the curve to a point closer to the curve, but it wouldn't allow us to move beyond the curve as it currently sits.

A

C

TRUE

A

D

C

Essay

The vertical intercept is 9, and the slope is found by taking the vertical change and dividing it by the horizontal change ($52 \div 13 = 4$). The linear equation is $y = 9 + 4x$.

C

A

D

D

C

To find the opportunity cost of the "nth" unit (e.g., the fourth unit) of capital, find the difference between the two alternatives for consumer goods on either side of this unit. For the fourth unit, the alternatives on either side are 15 and 27 units of consumer goods; their difference is 12 units ($= 27 - 15$). So, for the fourth unit of capital goods, the opportunity cost = 12 units of consumer goods.

D

A

The opportunity cost measures how many bananas must be sacrificed to obtain one more apple. This is found by taking the ratio of the price of apples (\$1.50) to the price of bananas (\$0.75).

A

To find the (opportunity) cost of the additional units of computers, take the difference between the starting and ending values for bicycles. For example, if society is currently producing 9 units of bicycles and 4 units of computers, in order to produce 6 units of computers, bicycle output will have to fall to 5 units. That makes the cost of the computer increase of 2 units equal to 4 ($9 - 5$).

C

To find the maximum quantity of each good that can be consumed, divide income by the price of each good. In this case, $\$630 \div \$90 = 7$ marathons, and $\$630 \div \$45 = 14$ 10Ks. Because the consumer only has \$630, they could run 7 marathons or 14 10Ks, or some combination that includes fewer of both, that doesn't cost an amount exceeding \$630. Of the options presented, only one exactly exhausts the budget the other combinations either cost more than \$630 or leave money left unspent. In this example, $\$630 = \$90(6) + \$45(2)$.

FALSE

A

If a two-good economy is operating on its production possibilities curve, then if one good is produced at its optimal quantity, the other good must be as well. If the economy was producing too much (or too little) wheat, this would necessarily imply that the economy was producing too little (or too much) steel.

B

FALSE

A

C

D

B

B

B

D

D

A

C

Essay

Graphs are a convenient way to represent relationships between two economic variables. By providing a picture, we more readily comprehend the economic relationship.

C

Essay

An increase in income will shift the budget line to the right and the buyer can now buy more of both goods than before.

Essay

Spending on capital goods or "goods for the future" include capital goods, research, education, and preventive medicine; these are all ingredients for economic growth. By devoting more of its current output to capital, the economy will have greater future production capacity and economic growth.

A

D

The opportunity cost measures how many bananas must be sacrificed to obtain one more apple. This is found by taking the ratio of the price of apples (\$2.00) to the price of bananas (\$1.00).

TRUE

B

B

D

B

C

D

To find the marginal opportunity cost of a unit of a good (e.g. the first unit of bread), calculate how many units of the other good (drill presses) would have to be sacrificed to move from 0 to 1 units of bread. In this example, society would have to move from 10 units of drill presses to 9 units, so the opportunity cost of the first unit of bread is 1 unit of drill presses ($= 10 - 9$).

A

Essay

Microeconomics is the part of economics concerned with decision making by an individual unit such as a household, a firm, or an industry. Microeconomics looks at individual markets, specific goods and services, and product and resource prices. Macroeconomics is the part of economics concerned with the performance and behavior of the economy as a whole. Macroeconomics focuses on economic growth, the business cycle, interest rates, inflation, and the behavior of major economic aggregates such as the household, business, and government sectors.

B

The opportunity cost of one more unit of tractors is measured in terms of how much bread must be sacrificed. In this case, production starts at point C (14 bread, 2 tractors) and moves to point D (8 bread, 3 tractors). The 6 fewer units of bread represent the opportunity cost of the third tractor.

A

D

C

A

To find the total opportunity cost of producing "X" number of tanks (e.g. two units), subtract the number of autos corresponding with the production alternative for the number of tanks produced (e.g. at production alternative of two tanks, 850 autos are produced) from the maximum number of autos that can be produced (1,000). For two tanks produced, the total opportunity cost is 150 ($= 1,000 - 850$).

A

C

A

C

D

A

FALSE

D

B

To find the opportunity cost of the "nth" unit (e.g. the nineteenth unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the nineteenth unit, the alternatives on either side are 18 and 24 units of consumer goods; their difference is 6 ($= 24 - 18$). So for the nineteenth unit of consumer goods, the opportunity cost $= 1 \div (24 - 18) = 1 \div 6$ of a unit of capital goods.

A

FALSE

C

B

B

FALSE

A

To find the opportunity cost of the "nth" unit (e.g., the third unit) of steel, find the change in wheat that corresponds with producing the "nth" unit (e.g., moving from 2 units of steel to 3 units). The opportunity cost is the difference between the two quantities for wheat. To produce the third unit of steel, wheat production must fall from 75 to 55; their difference is 20 ($= 75 - 55$). So, for the third unit of steel, the opportunity cost is 20 units of wheat.

B

B

D

The total expenditure (E) for each combination of apples (A) and bananas (B) is found using the following formula: $E = P_A A + P_B B$, where P_A and P_B are the prices of apples and bananas, respectively. In this example, since whatever income remains ($E - P_A A$) must be spent on bananas, the total quantity of bananas purchased will be calculated as $B = (E - P_A A) \div P_B$.

B

TRUE

A

D

FALSE

A

D

A

A

C

Things like apple prices, toilet paper, and Starbucks all point to specific industries, so they are microeconomic topics. Inflation, unemployment, and federal income taxes are macroeconomic topics.

B

A

Momo's choice at this moment suggests that she believes the benefit of that choice will outweigh the cost of it. That doesn't mean she would make the same choice every time, nor does it imply that there are no opportunity costs to her decision. In fact, all decisions come with opportunity costs, albeit some higher than others.

D

D

Capital includes both human-produced physical objects (an electric drill) and intangible ideas (recipes and songs) used to produce consumer goods and service. Shares of stock represent ownership and are not productive resources.

C

To find the opportunity cost of the "nth" unit (e.g. the fourth unit) of steel, find the change in wheat that corresponds with producing the "nth" unit (e.g. moving from 2 units of steel to 3 units). The opportunity cost is the difference between the two quantities for wheat. To produce the fourth unit of steel, wheat production must fall from 55 to 30; their difference is 25 ($= 30 - 55$). So for the third unit of steel, the opportunity cost is 25 units of wheat.

B

A

To find the opportunity cost of the "nth" unit (e.g., the forty unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the 40th unit, the alternatives on either side are 39 and 48 consumer goods; their difference is 9 ($= 48 - 39$). So, for the 40th consumer good, the opportunity cost is $1/9$ capital good.

D

Marginal-benefit curves slope downward; marginal-cost curves slope upward. Since A and D both slope upward (and are in a positive space), either one could be a marginal-cost curve.

C

A

C

B

D

D

FALSE

TRUE

B

D

C

D

A

A

FALSE

D

FALSE

C

If a two-good economy is operating on its production possibilities curve, then if one good is produced at its optimal quantity, the other good must be as well. If the economy was producing too much (or too little) wheat, this would necessarily imply that the economy was producing too little (or too much) steel.

A

B

B

D

D

C

B

C

C

A

D

C

A

A

C

A

C

If the economy is at point C on the production possibilities curve and it moves to point D, the economy has gained 8 consumer goods. However, in doing so, the economy gave up 2 capital goods. The opportunity cost of the 8 consumer goods is 2 capital goods.

TRUE

D

FALSE

FALSE

B

D

C

B

C

The opportunity cost of a decision is determined by the next best alternative (aka second choice). The question indicates Ming's order of preference, and since schnitzel is listed second, that's her opportunity cost of choosing pizza.

A

To find the opportunity cost of the "nth" unit (e.g., the 91st unit) of wheat in terms of steel, divide one (the change in steel from one alternative to the next by the difference between the two alternatives for wheat on either side of this unit. For the 91st unit, the alternatives on either side are 90 and 100 units of wheat; their difference is 10 units ($= 100 - 90$). So for the 91st unit of wheat, the opportunity cost $= 1 \div (100 - 90) = 1/10$ of a unit of steel.

B

D

The opportunity cost of one more unit of bread is measured in terms of how many tractors must be sacrificed. In this case, production starts at point C (14 bread, 2 tractors) and moves toward point B (18 bread, 1 tractors). The 1 less tractor is the opportunity cost of four units of bread, however only one more unit of bread is produced, so to measure the opportunity cost of a single unit, we divide 1 (tractor) by the 4 units (of bread) we would gain if we sacrificed an entire unit of tractors. This leaves us with a cost of $1/4$ units of tractors as the opportunity cost.

B

Essay

No, even with more income, people still face spending trade-offs, choices, and opportunity costs.

D

Making choices under scarcity is what the economic perspective is all about. The other responses incorrectly explain the decision making process.

B

Prices of the two goods increasing (or decreasing) by the same proportion is equivalent to a decrease (increase) in income. The slope (opportunity cost) doesn't change.

A

D

Capital includes both human-produced physical objects (an electric drill) and intangible ideas (recipes and songs) used to produce consumer goods and service. Money is not considered a capital because although it may be useful, it doesn't actually produce goods or services.

Essay

The individual's economizing problem is that we have limited income but seemingly insatiable wants. It is in our self-interest to economize: to pick and choose goods and services that maximize our satisfaction given the limitations we face.

A

D

D

FALSE

Essay

Comparing marginal benefit (MB) with marginal cost (MC) when making its business decisions is beneficial for society because the more MB that Starbucks can get from any given amount of MC, the better the company becomes at dealing with scarcity and getting the most of what people want out of the limited resources available to produce goods and services.

D

A

An increase in money income will cause a rightward shift of the budget line. The slope would not change because the relative prices of the two goods have not changed.

TRUE

B

C

D

B

A

B

To find the maximum quantity of each good that can be consumed, divide income by the price of each good. In this case, $\$120 \div \$12 = 10$ movies maximum, and $\$120 \div \$20 = 6$ rounds of golf. Because the consumer only has \$120, they could have either 10 movies or 6 rounds of golf, but not both. The budget line tells us what is feasible, not what the person should choose.

C

D

C

A

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement.

A

A

B

If the nation is operating at full employment, a leftward shift of MB will decrease the optimal quantity of defense goods, which means the optimal quantity of civilian goods has increased.

B

The value of the gift card represents Julia's income. The quantities of lattes and muffins shown assume that the amount of the gift card is spent entirely on one good or the other. There is not enough income for Julia to purchase the maximum quantities of both goods.

TRUE

D

B

FALSE

D

B

C

A

TRUE

D

B

D

C

C

The PPC is concave and opportunity costs are increasing (not constant) because resources are not perfect substitutes. Where society maximizes well-being depends on the preferences of the society. That could be in the very center, but could easily be elsewhere. There is no way to determine with the PPC in isolation.

C

B

C

C

B

To find the total opportunity cost of producing "nth" unit of tanks (e.g., fourth), subtract the number of autos corresponding with the production alternative for the number of tanks produced from the number of autos produced at the previous alternative. The marginal opportunity cost is 300 ($= 650 - 350$).

FALSE

A

C

D

D

D

B

A

B

C

A

B

D

D

TRUE

A

D

B

B

A

C

The opportunity cost measures how many bananas must be sacrificed to obtain one more apple. This is found by taking the ratio of the total price of bananas (\$1.50) to the price of apples (\$1.50).

B

D

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement. Even though both may be incorrect, it is a positive statement because it is articulating how something works (or would work), not whether or not it should be a certain way..

A

A

D

A

The opportunity cost of a choice is the value of the next best alternative which is forgone when the choice is made. In this case, the walk on the beach has the highest utility of all the alternatives that are foregone to make the choice to read, so that would make it the opportunity cost.

C

TRUE

C

TRUE

B

C

New product designs represent new capital, which expands production possibilities. Increased government spending may change what is produced and move the economy closer to the curve, but doesn't necessarily expand possibilities. Reducing unemployment and better matching of skills to jobs will move an economy closer the curve from a point inside the curve.

C

C

C

FALSE

B

A

A

Essay

Economics is the social science concerned with how individuals, institutions, and society make optimal (best) choices under conditions of scarcity.

A

Because of the limits on what a consumer can buy with a fixed amount of income and fixed prices, the budget line must be downward-sloping, reflecting the trade-off the consumer faces when considering how much of goods X and Y to consume.

B

A

C

$\$2.50 = 50 \div 20$; $\$5.00 = 50 \div 10$; alternatively, price = money income divided by the quantity of the good at the intercept. The price for each good is found by taking the money income and dividing by the quantity of that good at the intercept.

C

Between options C, D, E, and F, option C produces the most capital goods and would therefore be expected to generate the most future growth.

A

A

To find the opportunity cost of producing "X" number of additional autos (e.g., 100 between combinations C to B), find the change in the output of tanks over same range (e.g., from C to B, the change in the number of tanks is 1 ($= 2 - 1$)).

D

D

A

C

The slope of the budget line is found by taking the price of the good measured on the horizontal axis and dividing it by the price of the good on the vertical axis. Reflecting the tradeoff the consumer must make between the two goods, the slope is negative. In this case the slope = $-\$1.50 \div \$0.75$.

C

B

D

TRUE

FALSE

D

C

B

FALSE

B

A

To decrease the optimal quantity to Q_1 , either the marginal benefit would have to decrease, or the marginal cost would have to increase.

C

FALSE

A

C

To move from point D to point C, the economy gains 1 more capital good but in doing so, gives up 9 consumer goods ($= 36 - 27$). So for the third capital good, the opportunity cost is 9 consumer goods.

A

FALSE

C

B

D

C

D

Essay

Income would be shown on the horizontal axis because it is the independent variable, the variable that changes first. Consumption would be placed on the vertical axis since it is dependent on how income changes; the dependent variable is the variable that changes in response to the first variable's change.

B

C

B

An economy operating inside its PPC is not producing efficiently. Either through unemployment or underemployment, resources are not being put to their best uses. This is not necessarily the result of government policy. Expanding resources or improving technology shift the PPC outward, but this is not required for production to increase in this case.

A

C

C

A

A

B

C

D

C

C

B

FALSE

TRUE

B

B

To find the maximum quantity of each good that can be consumed, divide income by the price of each good. In this case, $\$600 \div \$100 = 6$ marathons, and $\$600 \div \$40 = 15$ 10Ks. Because the consumer only has \$600, they could run 6 marathons or 15 10Ks, or some combination that includes fewer of both, that doesn't cost an amount exceeding \$600. Of the options presented, only one exactly exhausts the budget; the other combinations either cost more than \$600 or leave money left unspent. In this example, $\$600 = \$100(2) + \$40(10)$.

D

FALSE

B

Positive statements are "what is" statements of fact (whether accurate or not) or are assertions about cause and effect relationships (even if incorrect). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement.

C

D

C

D

The opportunity cost of doing something is the next best alternative – the thing that was not chosen but would have been chosen if the first choice had not been available. Because watching the Mariners gives Taran the most utility, that is his first choice. His second choice—watching Manchester United—is the opportunity cost of watching the Mariners.

B

Any point that would lie on or inside the production possibilities curve is attainable. Anything that would lie outside (e.g., 10 drill presses and 4 bread) is unattainable.

A

C

FALSE

C

D

A

Essay

The full scope of economic reality itself is too complex to be fully understood. In developing theories, principles, and models, economists remove the clutter and simplify. Despite their simplifications, good theories do a good job of explaining and predicting how individuals and institutions actually behave in producing, exchanging, and consuming goods and services.

D

C

C

To find the opportunity cost of the "nth" unit (e.g., the third unit) of capital, find the difference between the two alternatives for consumer goods on either side of this unit. For the third unit, the alternatives on either side are 15 and 21 units of consumer goods; their difference is 6 units ($= 21 - 15$). So, for the third unit of capital goods, the opportunity cost = 6 units of consumer goods.

B

C

A

C

Anil has made an initial observation, but not enough on which to form a clear hypothesis. He should continue to observe to see if any testable hypotheses emerge. The fact that there are multiple possible factors should not dissuade the investigation, nor should it prompt decisions without further information. Immediately focusing on only one of the possible explanations and ignoring the other would also not be consistent with the scientific method.

Essay

Lesson One: If you are consuming a good or service and not paying for it, the cost is being borne by someone else. Lesson Two: Companies don't usually give freebies to be nice; they do it as part of their business model. Facebook grants users free access to its platform to make sure that it has as many "eyes" as possible to sell to advertisers.

B

FALSE

D

Purposeful behavior means that people pursue their self-interest, but not without regard for others, especially to those with whom they might have a connection (family, friends, charitable causes). It involves a weighing of both costs and benefits but doesn't guarantee desirable outcomes nor does it make one immune to faulty thinking.

C

D

To find the opportunity cost of the "nth" unit (e.g., the thirty-seventh unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the thirty-seventh unit, the alternatives on either side are 36 and 48 units of consumer goods; their difference is 12 ($= 48 - 36$). So for the thirty-seventh unit of consumer goods, the opportunity cost $= 1 \div (48 - 36) = 1/12$ of a unit of capital goods.

B

C

To find the maximum quantity of each good that can be consumed, divide income by the price of each good. In this case, $\$120 \div \$12 = 10$ movies maximum, and $\$120 \div \$20 = 6$ rounds of golf. Because the consumer only has \$120, they could have either 10 movies or 6 rounds of golf, but not both. The budget line tells us what is feasible, not what the person should choose.

C

B

A

The amount of Grandma Mary offers to spend represents Camille's income. The combination that is attainable is one where the combined expenditure is less than or equal to the income. The total expenditure (E) for each combination of lollipops (L) and candy bars (C) is found using the following formula: $E = P_L L + P_C C$, where P_L and P_C are the prices of lollipops and candy bars, respectively.

A

A

C

To find the opportunity cost of the 57th consumer good, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the 57th consumer good, the alternatives on either side are 56 and 60 consumer goods; their difference is 4 ($= 60 - 56$). So for the 57th consumer good, the opportunity cost is $1/4 (= 1 \div 4)$ capital good.

D

To find the opportunity cost of the "nth" unit (e.g. the 56th unit) of wheat in terms of steel, divide one (the change in steel from one alternative to the next by the difference between the two alternatives for wheat on either side of this unit. For the 56th unit, the alternatives on either side are 55 and 75 units of wheat; their difference is 20 units ($= 75 - 55$). So for the 56th unit of wheat, the opportunity cost $= 1 \div (75 - 55) = 1/20$ of a unit of steel.

Essay

Since a society can produce at any point on the production possibilities curve with full employment and productive efficiency, the decision about where to produce centers on comparisons of marginal benefit (MB) and marginal cost (MC). Any economic activity should be expanded as long as marginal benefit exceeds marginal cost. Economic activity should be reduced if marginal cost exceeds marginal benefit. The optimal amount of the activity occurs where $MB = MC$. Society uses the same logic to make its production decision as individuals do to make their consumption decisions.

C

The opportunity cost of a decision is determined by the next best alternative (aka second choice). The problem indicates Ming's order of preference, and since pizza is listed second, that's her opportunity cost of choosing sushi.

D

B

A

D

C

A

B

FALSE

C

B

To find the opportunity cost of the "nth" unit (e.g., the thirty-seventh unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the thirty-seventh unit, the alternatives on either side are 36 and 48 units of consumer goods; their difference is 12 ($= 48 - 36$). So for the thirty-seventh unit of consumer goods, the opportunity cost $= 1 \div (48 - 36) = 1/12$ of a unit of capital goods.

TRUE

C

A

B

C

D

B

A

D

B

C

The loss of lives shifted the PPC in; the loss of jobs moved the economy to a point inside the curve; the change in consumption patterns represent a movement along the curve (assuming the economy is on it).

A

B

To find the (opportunity) cost of the additional units of bicycles, take the difference between the starting and ending values for computers. For example, if society is currently producing 9 units of bicycles and 4 units of computers, in order to produce 3 more units of bicycles, computer output will have to fall to 2 units. That makes the cost of the 3 units of bicycles equal to 2 units ($= 4 - 2$).

C

D

D

FALSE

D

D

D

B

A

C

C

D

Economists believe that people are purposeful in their decision making, meaning they attempt to choose what will maximize their utility. All Kailani's statement tells us is that going back to school is the choice that provides the highest utility; it doesn't tell us why that might be her best choice.

D

To find the total opportunity cost of producing "nth" unit of tanks (e.g. first), subtract the number of autos corresponding with the production alternative for the number of tanks produced from the number of autos produced at the previous alternative. The marginal opportunity cost is 50 ($= 1,000 - 950$).

A

B

To find the opportunity cost of the "nth" unit (e.g., the tenth unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the tenth unit, the alternatives on either side are 9 and 12 units of consumer goods; their difference is 3 ($= 12 - 9$). So, for the tenth unit of consumer goods, the opportunity cost = $1/3$ of a unit of capital goods.

D

The loss of lives represents a loss of human resources, shifting the PPC in.

B

To find the opportunity cost of the "nth" unit (e.g. the fourth unit) of capital, find the difference between the two alternatives for consumer goods on either side of this unit. For the fourth unit, the alternatives on either side are 8 and 15 units of consumer goods; their difference is 7 units ($= 15 - 8$). So for the third unit of capital goods, the opportunity cost = 7 units units of consumer goods.

C

C

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement. While at least one of these statements would have to be incorrect, it is still stated as an explanation of what would occur, not something that takes a position on what should occur.

A

Essay

Ceteris paribus is an important assumption we use in economics that means all other factors other than those being considered do not change and are held constant. Holding other things equal is helpful because the economist can then focus on the relationship between the variables under consideration without being confused by changes in other variables.

D

D

FALSE

D

A

B

FALSE

FALSE

D

Improvements in technology shift out the production possibilities curve, usually allowing a society to produce more of both goods. Visually, this is represented by moving from one curve to a curve further to the right (e.g., from PP1 to PP2).

B

Essay

The post hoc fallacy is the mistake of concluding that because one event precedes the another, the first must have caused the second. This is a particular form of the confusion between correlation and causation. In the case of the post hoc fallacy, the events are correlated in time (first A, then B). There are other ways two events can be correlated, so the post hoc fallacy does not cover all cases of the correlation-causation problem.

A

D

TRUE

A

C

TRUE

D

For an economy to operate on its production possibilities curve, it must have full employment. This, however, does not ensure an optimal allocation of resources, which occurs where $MB = MC$ for all goods.

A

A

To find the total opportunity cost of a number of units (e.g., 9) of drill presses, calculate how many units of the other good (bread) would have to be sacrificed to move from 0 to 9 on the drill press axis. In this example, to move from 0 to 9 in drill press production, society would have to move from 4 to 1 in bread production. The change of 3 units ($= 4 - 1$) represents the opportunity cost of producing 9 drill presses.

B

C

A

C

C

B

To find the total opportunity cost of a number of units (e.g. 10) of drill presses, calculate how many units of the other good (bread) would have to be sacrificed to move from 0 to 10 on the drill press axis. In this example, to move from 0 to 10 in drill press production, society would have to move from 4 to 1 in bread production. The change of 4 units ($= 4 - 0$) represents the opportunity cost of producing 10 drill presses.

Essay

It means that there is an opportunity cost to all economic choices. If something that appears free was produced with scarce resources, then using those resources in the free product means that they are not available for production of some other product. If someone offers you a free lunch, it may be free to you, but someone has to bear the cost. Plus, the resources that went into producing that lunch are no longer available for producing other things.

B

The PPC is concave and opportunity costs are increasing (not constant) because resources are not perfect substitutes. Where society maximizes well-being depends on the preferences of the society. That could be in the very center, but could easily be elsewhere. There is no way to determine with the PPC in isolation.

C

C

D

A

Scarcity is represented by the negative slope; the law of increasing opportunity costs by the shape (bowed out from the origin).

FALSE

D

D

Essay

Increases in the quantity of resources, the quality of resources, and increases in technology. Although resource supplies are fixed at any specific moment, they change over time. For instance, a nation's growing population increases the supply of labor and entrepreneurial ability. Also, labor quality usually improves over time via more education and training. The net effect of increases in resources is society's ability to produce more consumer goods and more capital goods. Technology increases that consist of improved methods of production allow society to produce more goods with available resources.

A

C

A

A

Assuming the cost for all options is the same, Taran will choose the team that provides the most utility (utils).

C

Essay

Positive economics uses the analysis of facts or data to establish generalizations about economic behavior. It avoids value judgments and tries to establish scientific statements about economic behavior. Positive economics is concerned with "what is." Normative economics involves value judgments about what the economy should be like. It is focused on which economic goals and policies should be implemented. Normative economics embodies "what ought to be."

B

D

D

B

Essay

A positive (or direct) relationship between two variables means that the variables change in the same direction. So, if the first variable increases, the second variable will increase in response. If the first variable decreases, the second variable will decrease too. A positive relationship graphs as an upsloping line.

B

Essay

Starbucks' management team makes business decisions based on a careful comparison of marginal cost and marginal benefit. For instance, when determining where the next store should be, the best potential locations are those for which the projected marginal benefit (MB) exceeds the projected marginal cost (MC) by the greatest amount. To avoid saturation, if Starbucks has done its job right, MB will equal MC for the very last store that it builds in a particular city. And, to make menu changes, for each potential new menu item, Starbucks will estimate MB and MC. Only items for which $MB > MC$ will even be considered. The top candidate will be the one for which MB exceeds MC by the largest amount.

D

B

A

C

The price of each good is found by dividing the given money income by the maximum quantity of the good that can be purchased. For example, with an income of \$50 and a maximum quantity of C of 5 units, the price of C is \$10 ($= \$50 \div 5$).

A

D

A

D

A

B

D

C

D

D

A

A

A

D

B

C

Scarcity is represented by the downward slope, the law of increasing opportunity costs by the shape (bowed out from the origin).

FALSE

D

C

D

A

C

B

D

B

A

C

B

Essay

The independent variable is the variable that changes first and causes a change in another variable. The dependent variable changes as a consequence of the change in the first variable and is the effect, or outcome.

D

C

D

B

D

FALSE

C

Essay

No, while the economic framework of marginal analysis can help in making good decisions, people don't always have all of the necessary information to make a good decision, nor are they immune from faulty logic. In general, economists would expect better decisions to come from using marginal analysis and the attempt to maximize well-being, but the approach doesn't guarantee optimal results.

B

C

B

Whatever team Taran chooses to watch, the opportunity cost will be the forgone utils from Taran's second choice. If his top choice would give him 148 utils and his second choice would give him 145 utils, the opportunity cost would be 145 utils. The utils from the remaining choices do not matter, because they are not what Taran would choose if we could not have his first choice.

A

The opportunity cost of doing something is the next best alternative – the thing that was not chosen but would have been chosen if the first choice had not been available.

D

D

D

B

C

B

The opportunity cost of a choice is the value of the next best alternative which is forgone when the choice is made. In this case, texting with friends has the highest utility of all the alternatives that are foregone to make the choice to read, so that would make it the opportunity cost.

FALSE

B

Whatever team Taran chooses to watch, the opportunity cost will be the forgone utils from Taran's second choice. The utils from the remaining choices do not matter, because they are not what Taran would choose if he could not have his first choice.

D

The slope of the budget line is found by dividing the price of the good shown on the horizontal axis (\$20) by the price of the good shown on the vertical axis (\$5).

D

C

D

A

B

The opportunity cost of one more unit of tractors is measured in terms of how much bread must be sacrificed. In this case, production starts at point B (18 bread, 1 tractor(s)) and moves to point C (14 bread, 2 tractors). The 4 fewer units of bread represent the opportunity cost of the second tractor.

D

C

A

C

FALSE

A

Because this economy could produce 90 units of wheat when it is producing 1 unit of steel, it is at less than full employment. For steel the marginal benefit equals marginal cost at 2 units, suggesting we would achieve an optimal allocation by moving some resources from wheat production over to steel production.

FALSE

A

B

B

C

Everyone faces opportunity costs, bucket list activities not need be expensive, and there is no clear evidence that older people are better at weighing costs and benefits. Given that older people are more likely to be aware of their impending mortality, they would view their remaining time as more scarce.

B

A

A

To find the opportunity cost of the "nth" unit (e.g., the eleventh unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the eleventh unit, the alternatives on either side are 10 and 18 units of consumer goods; their difference is 8 ($= 18 - 10$). So for the eleventh unit of consumer goods, the opportunity cost $= 1 \div (18 - 10) = 1/8$ of a unit of capital goods.

A

D

B

A

D

D

B

B

A

A

The various combinations on the table represent points on a production possibilities curve. An economy efficiently using its scarce resources will produce at a point on the curve. An economy can't produce outside the curve. Producing inside the curve is inefficient.

D

The slope of the budget line is found by taking the price of the good measured on the horizontal axis and dividing it by the price of the good on the vertical axis. Reflecting the trade-off the consumer must make between the two goods, the slope is negative. In this case the slope = $-\$1.50 \div \$0.75$.

C

B

D

B

FALSE

FALSE

A

C

B

FALSE

FALSE

D

C

D

The concept of opportunity cost refers to the tradeoff of one good that must be made in order to obtain more of another, assuming fixed resources and technology. Visually this is represented by movement along a stable production possibilities curve. Changes involving moving to another curve would mean that available resources and technology had changed, potentially meaning that more of a particular good could be obtained without facing the tradeoff of sacrificing another.

Essay

No, self-interested behavior means that individuals are pursuing opportunities to increase their utility, which is the pleasure, happiness, or satisfaction obtained from consuming goods or services. Increasing one's wages, rent, or profit usually requires identifying and satisfying someone else's wants. Also, people make personal sacrifices for others by contributing to charities, and parents help pay for their children's education because they derive pleasure from doing so.

C

D

B

Without knowing where an economy was before growth occurred, it is impossible to determine whether the growth was due to an expansion of production possibilities or a more efficient use of resources. Therefore, any of those conclusions are possible, but we can't definitely determine which applies in this case.

D

C

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement. Even though Iman might be incorrect, it is a positive statement because it is articulating how something works (or would work), not whether or not it should be a certain way.

A

Marginal-benefit curves are downward-sloping. The assumption that the good confers some positive benefit means that at some quantity of the good the marginal-benefit curve would have to be above the horizontal axis. That leaves line E as the only possible marginal-benefit curve.

B

FALSE

C

A

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement. Both of these statements are opinions as to the best course of action.

C

To find the opportunity cost of the "nth" unit (e.g. the tenth unit) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the tenth unit, the alternatives on either side are 9 and 12 units of consumer goods; their difference is 3 ($= 12 - 9$). So for the tenth unit of consumer goods, the opportunity cost $= 1 \div 3$ of a unit of capital goods.

A

B

A

C

To find the opportunity cost of the "nth" unit (e.g. the thirty-seventh) of consumer goods, divide one (the change in capital goods between the two alternatives) by the difference between the two alternatives for consumer goods either side of this unit. For the thirty-seventh, the alternatives on either side are 36 and 48 units of consumer goods; their difference is 12 ($= 48 - 36$). So for the thirty-seventh consumer good, the opportunity cost $= 1 \div (48 - 36) = 1 \div 12$ capital good.

A

C

D

D

To find the marginal opportunity cost of a unit of a good (e.g., the fourth unit of bread), calculate how many units of the other good (drill presses) would have to be sacrificed to move from 3 to 4 units of bread. In this example, society would have to move from 4 units of drill presses to 0 units, so the opportunity cost of the fourth unit of bread is 4 units of drill presses ($= 4 - 0$).

D

C

The opportunity cost measures how many bananas must be sacrificed to obtain one more apple. This is found by taking the ratio of the total price of bananas (\$6.00) to the price of apples (\$2.00).

A

C

The value of the gift card represents Julia's income. The quantities of lattes and muffins shown assume that the amount of the gift card is spent entirely on one good or the other. There is not enough income for Julia to purchase the maximum quantities of both goods.

D

D

The opportunity cost of a decision is determined by the next best alternative (aka second choice). There is not enough information in the question to determine what Jamal's second choice would be.

B

C

A

FALSE

B

D

FALSE

C

D

B

C

A

B

The concept of opportunity cost refers to the trade-off of one good that must be made in order to obtain more of another, assuming fixed resources and technology. Visually this is represented by movement along a stable production possibilities curve. Changes involving moving to another curve would mean that available resources and technology had changed, potentially meaning that more of a particular good could be obtained without facing the tradeoff of sacrificing another.

C

B

B

The slope of the budget line is found by dividing the price of the good shown on the horizontal axis (\$3) by the price of the good shown on the vertical axis (\$15).

A

C

C

Essay

Pitfalls to sound economic reasoning include

1. the biases and preconceptions people bring to their analysis;
2. loaded terminology that hinders objective analysis;
3. the fallacy of composition—incorrectly concluding that what is true for an individual is necessarily true for a group;
4. the post hoc fallacy—erroneously concluding that just because event A preceded event B, then A caused B;
5. incorrectly concluding that correlation between two events necessarily implies causation.

FALSE

B

C

Essay

Land: This includes all natural resources used in the production process. Land consists of forests, minerals, water resources, and arable land. Labor: This consists of physical actions and mental activities that people contribute to the production of goods and services. Labor includes work-related activities of a retail clerk, teacher, pro football player, and nuclear physicist. Capital: This includes all manufactured aids used in the production of goods and services. Capital includes factories, storage, transportation, and distribution facilities, as well as tools and machinery. It also includes intangible ideas, such as new songs, software, art, literature, and inventions. Entrepreneurial ability: This is a special human resource and is someone who takes the initiative, makes strategic decisions, innovates, and bears the risk of putting an idea into action.

D

The production possibilities table tells us what combinations are available to society, but we would need to know society's preferences to determine which combination is optimal.

B

C

B

B

B

The amount of Grandma Mary offers to spend represents Camille's income. The combination that is attainable is one where the combined expenditure is less than or equal to the income. The total expenditure (E) for each combination of lollipops (L) and candy bars (C) is found using the following formula: $E = P_L L + P_C C$, where P_L and P_C are the prices of lollipops and candy bars, respectively.

A

B

To reach a point outside a production possibilities curve, an economy must have more resources and/or better technology. Greater efficiency moves an economy from a point inside the curve to a point closer to the curve.

A

C

Essay

The law of increasing opportunity costs states as we increase the production of a particular good, the opportunity cost of producing an additional unit rises. This is because economic resources are not completely adaptable to alternative uses. Many resources are better at producing one type of good than at producing others; therefore, if they are shifted away from producing the good they are better suited for to producing another good they are less suited for, it will take more of the resources. This lack of perfect flexibility, or interchangeability, on the part of resources causes society's increasing opportunity costs.

FALSE

D

D

Positive statements are "what is" statements of fact (whether accurate or not). Normative statements are "what should be" statements indicating opinions. Suggesting that something is "too high" (or too low), or that there is a best target or course of action indicates a normative statement.

C

C

A

D

TRUE

C

C

A

B

Essay

Features of the economic perspective are: (1) scarcity and choice, which means that the economic resources needed to make goods and services are in limited supply so we must make choices; (2) purposeful behavior, which means we assume that human behavior reflects rational self-interest; and (3) marginal analysis, which means comparing the marginal (or extra) benefit and marginal cost when making decisions.

A

Budget lines tell us that we face scarcity, what choices are available, and what the opportunity cost is of one good in terms of the other. They don't tell us what we should choose.

D

To find the (opportunity) cost of the additional units of bicycles, take the difference between the starting and ending values for computers. For example, if society is currently producing 5 units of bicycles and 6 units of computers, in order to produce 2 more units of bicycles, computer output will have to fall to 5 units. That makes the cost of the 2 units of bicycles equal to 1 unit ($= 6 - 5$).

B

B

A

Marginal-cost curves are upward-sloping. The assumption that the good comes with some positive cost means that at every quantity of the good the marginal-cost curve would have to be above the horizontal axis. That leaves lines A and D as the lines that best represent marginal-cost curves.

C

B

The total expenditure (E) for each combination of apples (A) and bananas (B) is found using the following formula: $E = P_A A + P_B B$, where P_A and P_B are the prices of apples and bananas, respectively. In this example, since whatever income remains ($E - P_A A$) must be spent on bananas, the total quantity of bananas purchased will be calculated as $B = (E - P_A A) \div P_B$.

C

A

D

B

To reach a point outside a production possibilities curve, an economy must have more resources and/or better technology. Greater efficiency moves an economy from a point inside the curve to a point closer to the curve.

D

The millions of lives lost as a result of the pandemic reduced the labor resource and shifted production possibilities in.

A