

PPSC Economics Chapter 11 Assess Your Basics

Sr	Questions	Answers Choice
1	If demand is _____ then price cuts will _____ spending.	A. Inelastic, increase B. Elastic, increase C. Elastic, decreases D. None of the above
2	The price elasticity of demand measures	A. The responsiveness of quantity demanded to a change in price. B. How far a demand curve shifts C. A change in price D. A change in quantity demanded
3	An increase in consumer income will increase demand for a _____ for decrease demand for a.	A. Substitute good interior good B. Normal good, interior good C. Interior good, normal good. D. Normal good, complementary good.
4	If a price increase of good A increases the quantity demanded of good B, then good B is a.	A. substitute good B. Complementary good C. Bargain D. Interior good
5	A supply curve is directly affected by	A. Technology B. Input costs C. Government regulation D. All of the above
6	a demand curve can shift because of changing.	A. Incomes B. Prices of related goods C. Taxes D. All of the above
7	The equilibrium price clears the market it is the price at which.	A. Everything is sold B. Buyers spend all their money C. Excess demand is zero D. c and d
8	When we know the quantity of a product that buyers wish to purchase at each possible price we know.	A. Demand B. Supply C. excess demand D. Excess supply
9	If the diagram of a line shows that lower values on the vertical scale are associated with higher values on the horizontal scale this is an example of.	A. a nonlinear relationship B. A positive linear relationship C. A scatter diagram D. A negative linear relationship
10	On a graph a positive linear relationship.	A. Moves down to the right B. Moves up to the left C. Moves up to the right D. Moves down to the left
11	A straight line diagram can be drawn knowing the _____ and _____	A. Vertical axis and horizontal axis B. Intercept and slope C. Scale and slope D. Intercept and scale.
12	If your income during one year is L 10,000 and the following year it is L 12,000 then it has grown by	A. 20% B. 2% C. 12% D. 15%
13	The real value can be derived from a nominal value by	A. Adjusting changes over time B. Adjusting for data collection errors C. Adjusting for population changes D. Adjusting for changes in prices
14	The retail price index is used to.	A. Construct price lists B. Compare shop prices C. Measure changes in the cost of living D. None of the above
		A. Individual building blocks in the economy

15	Macro economics is the study of.	B. The relationship between different sectors of the economy C. Household purchased decisions D. The economy as a whole
16	Micro economics is concerned with	A. The economy as a whole B. The electronics industry C. The study of individual economic behavior D. the interactions within the entire economy
17	Normative economics form _____ based on.	A. Positive statements facts B. Opinions, personal values C. Positive statements values D. Opinions facts
18	In a free market	A. Government intervene B. Government plan production C. Government interfere D. Price adjust to reconcile scarcity and desires.
19	A market can accurately be described as	A. A place to buy things B. a place to sell things C. The process by which prices adjust to reconcile the allocation of resources D. a place where buyers and sellers meet.
20	The opportunity cost of a good is.	A. The time lost in finding it B. The quantity of other goods sacrificed to get another unit of that good C. The expenditure on the good D. The loss of interest in using savings