

PPSC Economics Chapter 11 Assess Your Basics

C-	Overtions	Anguaga Chaine
Sr 1	Questions If one country, with floating exchange states, has higher inflation than its competitors, we would expect its exchange rate to.	Answers Choice A. Appreciate B. Depreciate C. Revalue D. be in short supply
2	Efficiency wages are that raise	A. Low wages , employment B. High wages, labor supply C. High wages, productivity D. High wages, employment
3	In a competitive industry each buyer and seller.	A. Is a price takerB. Produce different productsC. Believes that can influence priceD. Prevents the entry of competitors
4	The multiplier tells us how much chagnes after a shift in.	A. Consumption, income B. Investment , output C. Savings, investment D. output, aggregate demand
5	A competitive equilibrium is Pareto efficient because.	A. Producers are price takers B. Consumers and producer's face the same prices C. Marginal costs and benefits are equal D. All of the above
6	The business cycle describes fluctuations in output around the.	A. Trend path of output B. Boom C. Recession D. Short run fluctuations in output
7	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
8	The level of the equilibrium exchange rate offsets international difference in.	A. Comparative advantageB. Absolute advantageC. Opportunity costD. Relative costs
9	Adding up the quantities demanded of a good by different people facing the same price gives us the.	A. Supply curve B. Market demand curve C. Demand curve D. Market supply curve
10	In Nash equilibrium each player chooses the best strategy.	A. Assuming other players move first. B. Dominated by the other players C. Given the strategies of other players D. That is a credible threat
11	The allocation of resources is not efficient it	A. The marginal cost of production does not equal society marginal benefit B. The distribution is inequitable C. Economic growth is low D. Unemployment is high
12	We cannot say whether one allocation of resources is better than another allocation because.	A. some people cant count B. Some people may not be permanent residents C. Not all economic activity is legal D. We cant make value judgements to compare different people welfare.
13	A market can accuretaly 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.

14	Monetarists believe that a reduction in can be achieved by reducing.	A. Unemployment, prices B. Inflation, wages C. Unemployment, wages D. Inflation, the quantity of nominal money
15	We would normally expect the size of the labour force to be than the number of workers willing to accept job offers at any real wage rate.	A. Smaller B. Larger C. the same size D. None of these
16	The abolition of income tax would probably the number of workers in employment and the equilibrium. rate of unemployment.	A. increase ; decrease B. increase ; increase C. reduce ; increase D. reduce ; reduce
17	Micro economics is conceded 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
18	A dominant strategy is.	A. A winning strategy B. A losing strategy C. A players best strategy when moving fist D. a player's best strategy whatever the strategies adopted by rivals
19	Comparing a monopoly and a competitive firm the monopolist will.	A. Produce less at a lower price B. Produce more at a lower price C. Produce less at a higher price D. Produce less at a lower price
20	M4 is a measures of money and includes deposits at both and	A. Narrow, banks, building societies B. <i>Wide, banks, insurance companies</i> C. narrow, banks, insurance companies D. Wide, banks, building societies.