

PPSC Economics Chapter 11 Assess Your Basics

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Sr	Questions	Answers Choice
1	All of the following represent obstacles to LDC development except.	A. Resource scarcity B. Low level of investment C. Low population D. Poor infrastructure
2	All of the following are benefits of the single market except.	A. It allows countries to exploit their comparative advantage, more fully B. Firms could more readily exploit economies of scale C. It intensified competition D. It is easier book holidays in member countries.
3	The firms long run output decision will be where.	A. Long run average cost a lowest B. Marginal revenue equals output C. Marginal revenue equals long run marginal cost D. Marginal cost equals output
4	A supply curve is directly affected by	A. Technology B. Input costs C. <div>Government regulation</div> D. All of the above
5	If my neighbor burns garden waste causing my house to fil with smoke this is an example of.	A. A production extremality B. A second best solution C. Transaction costs D. A consumption externality
6	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.
7	The most important source of wage differentiate are.	A. Reginal variation B. Unionization C. Relative danger D. Skills
8	import substitution is the replacement of by domestic production under the protection of.	A. exports, subsidies B. Exports, patents C. imports, high tariffs or import quotes D. Imports, subsidies
9	The opportunity cost of a student is.	A. Course fees and rent B. A loan from the bank C. What the student could have earned in the best job available by not studying. D. What the student will earn after graduation.
10	International specialization takes place because of.	A. Differences in technology B. Differences in factor endowments C. Scale economies D. All of the above
11	Short run average total costs are equal to the sum of and	A. Short run opportunity costs, profit B. Short run average variable costs, profit C. short run average variable costs, profit. D. Short run average variable costs short run average fixed costs
12	A profit maximizing firm will hire labor until equal the	A. Marginal revenue, marginal cost B. Long run marginal revenue, long run marginal cost C. Labour output ratio, capital output ratio D. Marginal cost of labour, marginal revenue product
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13	The impossibility of negative gross investment provides a to fluctuations in.	A. Celling, stock building B. Celling, capital prices C. floor , output D. floor , the capital output ratio
14	The extra utility from consuming one more unit of a good is called.	A. Marginal utility B. Additional utility C. surplus utility D. Bonus utility
15	In the EMU a country's competitiveness can change because of.	A. Interest rate adjustment B. Central bank intervention i the forex C. Domestic wage and price adjustment D. Devaluations
16	Economic growth may depend upon and	A. <div>Population size , x - efficiency</div> B. Population age distribution, education C. Population growth, education D. Population growth, technical progress
17	Real business cycle theory suggests that not important in explaining short term fluctuations around actual output.	A. aggregate supply is B. aggregate demand is C. Potential output is D. Real variables are
18	If the consumption of a good by one person does not reduce the quantity available by other and nobody cna be easily excluded from consumption, we are referring to a.	A. Private good B. Merit good C. Public good D. Abundant good
19	If goods are exported for less than society's marginal production cost and the marginal benefit to domestic consumers, it is likely that they benefit from.	A. An import subsidy B. A quota C. Comparative advantage D. An export subsidy
20	Polices to reduce unemployment by reducing union power tax cut reduction is unemployment benefit and investment. subsidies are examples of.	A. Keynesian polices B. Supply side policies C. Monetarist policies D. Classical policies