

PPSC Economics Chapter 6 Economics Model

Sr	Questions	Answers Choice
1	If government regulations prohibit the production of a particular good the demand curve for that good will most likely.	A. Shift leftward B. Shift rightward C. Remain unchanged D. Disappear
2	An increases in the demand curve for orange juice would be illustrated as a.	A. Leftward shift of the demand curve B. Right ward shift of the demand curve C. Movement up along the demand curve D. Movement down along the demand curve
3	If the price of automobiles were to decrease substantially the demand curve for public transpiration would most likely.	A. shift rightward B. Shift leftward C. Remain unchanged D. Remain unchanged while quantity demanded would change
4	If the price of automobile were to decrease substantially the demand curve for automobiles would most likely.	A. shift rightward B. Shift left eard C. Remain unchanged D. Become steeper
5	As the price of a good increases, the change in the quantity demanded can be shown by	A. Shifting the demand curve leftward B. Shifting the demand curve rightward C. Moving down along the same demand curve D. Moving up long the same demand curve
6	Holding all other factors constant consumers demand more of a good the	A. Higher its price B. Lower its price C. Steeper the downward slope of the demand curve D. Steeper the upward slope of the demand curve
7	Which of the following is an example of a normative statement.	A. Since this good is bad for you, you should not consume it. B. this good is bad for you C. If you consume this good you will get sick D. People usually get sick after consuming this good
8	Most Microeconomic models assume that decision makers wish to.	A. Make themselves as well off as possible B. Act selfishly C. Not cooperate with others D. None of the above
9	Economists tend to judge a model based upon	A. the realty of its assumptions B. The accuracy of its predications C. Its simplicity D. Its complexity
10	The purpose of making assumptions in economic model building is to.	A. Force the model to yield the correct answer B. Minimize the amount of work an economist must do C. simplify the model while keeping important details. D. Express the relationship mathematically.