


Question 1

Correct Mark 1.00 out of 1.00  Flag question


All of the following topics, except one, are valid macroeconomic topics. Which one is the exception?

Select one:

- a. the effect of the government budget deficit on inflation
- b. the reasons the labour force in a country decreases
- c. the reasons the average price level in a country falls
- d. the cause of increasing unemployment
- e. the reasons the price of coffee fluctuates ✓

The correct answer is: the reasons the price of coffee fluctuates

Question 2

Correct Mark 1.00 out of 1.00  Flag question


All of the following statements, except one, are valid examples of the way economists use the term *scarcity*. Which one is the exception?

Select one:

- a. Households face a scarcity of income.
- b. Individuals face a scarcity of time.
- c. Economies face a scarcity of resources.
- d. The world faces a scarcity of ideas. ✓
- e. Firms face a scarcity of qualified workers.

The correct answer is: The world faces a scarcity of ideas.

Question 3

Correct Mark 1.00 out of 1.00  Flag question

Factors of production is a term that can be used interchangeably with

Select one:

- a. models.
- b. consumer goods.
- c. either resources or inputs. ✓
- d. opportunity cost.
- e. technologies.

The correct answer is: either resources or inputs.

Question 4

Correct Mark 1.00 out of 1.00  Flag question


The two big economic questions

Select one:

- a. involve self-interest only.
- b. involve both self-interest and social interest. ✓
- c. do not arise from scarcity.
- d. involve only social interest.
- e. involve neither self-interest nor social interest.

The correct answer is: involve both self-interest and social interest.

Question 5

Correct Mark 1.00 out of 1.00  Flag question


"The rich should face higher income tax rates than the poor." This is an example of

Select one:

- a. a negative statement.
- b. a normative statement. ✓
- c. neither a normative nor a positive statement.
- d. a positive statement.
- e. economic reasoning.

The correct answer is: a normative statement.

Question 6

Correct Mark 1.00 out of 1.00  Flag question


Opportunity cost is

Select one:

- a. the highest-valued alternative that we give up to get something. ✓
- b. your value of leisure.
- c. the marginal benefit from an activity.
- d. the value of your favourite activity.
- e. the money you spend on food, shelter, and clothing.

The correct answer is: the highest-valued alternative that we give up to get something.

Question 7

Correct Mark 1.00 out of 1.00  Flag question


What is an economic model?

Select one:

- a. a fully detailed, realistic description of the economy
- b. a mechanical machine that replicates the functioning of the economy
- c. a simplified representation of some aspects of the economy ✓
- d. a computer program that predicts the future of the economy
- e. all of the above

The correct answer is: a simplified representation of some aspects of the economy

Question 8

Correct Mark 1.00 out of 1.00  Flag question

To earn income, people sell the services of the factors of production they own. Land earns _____; labour earns _____; and capital earns _____.

Select one:

- a. interest or profit / wages / wages
- b. wages / interest or profit / rent
- c. interest or profit / wages / rent
- d. interest or profit / rent / wages
- e. rent / wages / interest or profit ✓

The correct answer is: rent / wages / interest or profit

Question 9

Correct Mark 1.00 out of 1.00  Flag question


The fact that human wants cannot be fully satisfied with available resources is called the problem of

Select one:

- a. normative economics.
- b. marginal cost.
- c. the big tradeoff.
- d. scarcity. ✓
- e. opportunity cost.

The correct answer is: scarcity.

Question 10

Correct Mark 1.00 out of 1.00  Flag question

Economics is best defined as the study of

Select one:

- a. how society manages its scarce resources. ✓
- b. how to run a business most profitably.
- c. how to predict inflation, unemployment, and stock prices.
- d. how the government can stop the harm from unchecked self-interest.
- e. how to produce products.

The correct answer is: how society manages its scarce resources.

