

Exam

Name_____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Mutually beneficial trade can only occur if 1) _____
- A) both persons increase production of the good in which they have a higher opportunity cost.
 - B) both persons increase consumption of the good in which they have a higher opportunity cost.
 - C) both persons increase production of the good in which they have an absolute advantage.
 - D) both persons decrease production of the good in which they have a lower opportunity cost.
 - E) both persons increase production of the good in which they have a comparative advantage.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 2) In a zero-sum game 2) _____
- A) both players can lose.
 - B) the number of players is zero.
 - C) both players get zero gains.
 - D) both players can win.
 - E) one player can gain only when another player loses.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 3) Which of the following a microeconomic decision? 3) _____
- A) A decision by the Bank of Canada to allow the Canadian dollar to depreciate in response to world trade patterns.
 - B) A 10% tariff on imported wines to protect the Canadian wine-making industry.
 - C) A reduction in the G.S.T. intended to stimulate consumer spending.
 - D) A decision by the Conservative Party to reduce government intervention in the economy.
 - E) The Government of Canada lends Peru 7 billion dollars.

Answer: B

Explanation: A)
B)
C)
D)
E)

4) Who is the Governor of the Bank of Canada?

4) _____

- A) Jim Cuddy.
- B) Jim Flaherty.
- C) Mark Carney.
- D) Art Carney.
- E) Jim Carey.

Answer: C

Explanation: A)
B)
C)
D)
E)

5) Mutually beneficial trade is also called

5) _____

- A) a zero-sum game.
- B) involuntary trade.
- C) international subsidization.
- D) voluntary trade.
- E) self-sufficiency.

Answer: D

Explanation: A)
B)
C)
D)
E)

6) The value of the fork in the road not taken is called

6) _____

- A) opportunity cost.
- B) marginal cost.
- C) monetary cost.
- D) cutlery cost.
- E) fiduciary cost.

Answer: A

Explanation: A)
B)
C)
D)
E)

7) Opportunity cost does not include

7) _____

- A) monetary costs associated with making this choice.
- B) external consequences associated with this choice.
- C) legal costs associated with making a choice.
- D) benefits that you get from making a choice.
- E) income that you sacrifice from making this choice.

Answer: D

Explanation: A)
B)
C)
D)
E)

8) George spent \$2,000 for a plane ticket to Vancouver and sacrificed earning \$500 because he had to take time off work. He will spend \$1,500 on his hotel room. Now he's in Vancouver. George is trying to decide whether he should spend \$1,000 to take an afternoon side trip to go snowboarding in Whistler or just snooze in the hotel. Going to Whistler would be a smart decision as long as his benefits from the side trip are at least

8) _____

- A) \$5,000. B) \$500. C) \$1,500. D) \$1,000. E) \$4,000.

Answer: D

Explanation: A)
B)
C)
D)
E)

9) Gina missed her shift at the restaurant in order to attend a soccer game. She paid \$30 for the ticket, \$20 for parking, and ate \$10 worth of popcorn. Had she worked her shift, Gina would have earned \$100. Her opportunity cost of attending the game is equal to

9) _____

- A) \$100. B) \$160. C) \$0. D) \$60. E) \$150.

Answer: B

Explanation: A)
B)
C)
D)
E)

10) Canada has an absolute advantage in situations where

10) _____

- A) we can produce the product on weekends.
B) we can produce at lower cost than producers in other countries.
C) we consume more of this product than do people in other countries.
D) our opportunity cost of production is very high.
E) we consume less of this product than do people in other countries.

Answer: B

Explanation: A)
B)
C)
D)
E)

11) The three sets of players in the circular flow of economic life include

11) _____

- A) wheat.
B) governments.
C) houses.
D) machines.
E) buildings.

Answer: B

Explanation: A)
B)
C)
D)
E)

12) The flow of activities associated with input markets can involve

12) _____

- A) households paying businesses money for goods.
- B) households paying businesses money for services.
- C) businesses paying households money for labour services.
- D) households paying businesses money for food.
- E) households paying businesses money for labour services.

Answer: C

Explanation: A)
B)
C)
D)
E)

13) In a one-hour period, Chloe can bake 24 cookies or 12 blueberry muffins; Zabeen can bake 6 cookies or 2 blueberry muffins. In order to engage in mutually beneficial trade, Chloe should

13) _____

- A) bake cookies because she has a comparative advantage.
- B) bake muffins because she has a comparative advantage.
- C) give up. Mutually beneficial trade is impossible in this situation.
- D) bake muffins because she has an absolute advantage.
- E) bake cookies because she has an absolute advantage.

Answer: B

Explanation: A)
B)
C)
D)
E)

14) Mutual gains from voluntary trade require differences in

14) _____

- A) opportunity cost.
- B) countervailing tariffs.
- C) external costs.
- D) internal costs.
- E) implicit costs.

Answer: A

Explanation: A)
B)
C)
D)
E)

15) Matthew spent \$20 at an all-you-can eat sushi buffet. Several hours later he is trying to decide whether he should order a bowl of ice cream for \$2. Ordering the ice cream would be a smart decision if Matthew gets benefits of at least

15) _____

- A) \$24.
- B) \$22.
- C) \$20.
- D) \$18.
- E) \$2.

Answer: E

Explanation: A)
B)
C)
D)
E)

16) Smart choices require that

16) _____

- A) the additional benefits exceed the additional costs.
- B) the average benefits exceed the additional costs.
- C) the expected benefits exceed the total costs.
- D) the additional benefits exceed the average costs.
- E) the typical benefits exceed the typical costs.

Answer: A

Explanation: A)
B)
C)
D)
E)

17) Failure to consider the impact of a negative externality will result in

17) _____

- A) too much of that activity.
- B) a positive externality.
- C) scarcity.
- D) a internality.
- E) too little of that activity.

Answer: A

Explanation: A)
B)
C)
D)
E)

18) Which of the following is an example of a positive externality?

18) _____

- A) government.
- B) non-refundable deposits.
- C) a statue.
- D) scarcity.
- E) installing anti-virus software on your computer.

Answer: E

Explanation: A)
B)
C)
D)
E)

19) Some social activists believe that scarcity occurs because we are always wanting more. This idea is called

19) _____

- A) monetarism.
- B) paternalism.
- C) materialism.
- D) activism.
- E) socialism.

Answer: C

Explanation: A)
B)
C)
D)
E)

- 20) It takes Mom 30 minutes to cook dinner. In the same time she can iron 6 of your shirts. Dad takes an hour to cook dinner and 30 minutes to iron a single shirt. In this situation 20) _____
- A) Mom has a comparative advantage in cooking dinner.
 - B) Dad's opportunity cost of cooking dinner is ironing half a shirt.
 - C) Dad has an absolute advantage in ironing shirts.
 - D) Dad's opportunity cost of cooking dinner is 6 shirts.
 - E) Mom's opportunity cost of cooking dinner is ironing 6 shirts.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 21) Who wrote *The Wealth of Nations* in 1776? 21) _____
- A) Adam West.
 - B) Adam Smith.
 - C) Alfred Pennyworth.
 - D) Alfred Marshall.
 - E) Alfred E. Newman.

Answer: B

Explanation: A)
B)
C)
D)
E)

- 22) John gave Margaret an expensive painting for her birthday; he paid \$20,000. Last week, an art dealer offered to buy the painting for \$25,000. Margaret said no. The opportunity cost of her decision is equal to 22) _____
- A) \$20,000. B) \$0. C) \$5,000. D) \$45,000. E) \$25,000.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 23) Who wrote *Principles of Economics* in 1890? 23) _____
- A) Adam West.
 - B) Adam Smith.
 - C) Alfred Pennyworth.
 - D) Alfred E. Newman.
 - E) Alfred Marshall.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 24) In two hours of work Clinton can catch 4 fish or he can pick 5 pints of berries. In two hours Dong can catch 6 fish or she can pick 9 pints of berries. Which statements is true? 24) _____
- A) Clinton and Dong cannot engage in trade.
 - B) Clinton and Dong can engage in trade but only Dong will benefit.
 - C) Clinton and Dong will both lose if they engage in trade.
 - D) Clinton and Dong can engage in trade and both persons will benefit.
 - E) Clinton and Dong can engage in trade but only Clinton will benefit.

Answer: D

Explanation: A)
B)
C)
D)
E)

- 25) It takes Mom 30 minutes to cook dinner. In the same time she can iron 6 of your shirts. Dad takes an hour to cook dinner and 30 minutes to iron a single shirt. In this situation 25) _____
- A) Dad has an absolute advantage in cooking dinner.
 - B) There are no gains from trade in this situation.
 - C) Mom shouldn't cook dinner; her opportunity cost is 6 shirts.
 - D) Dad has an absolute advantage in ironing shirts.
 - E) Mom should cook dinner; even though the opportunity cost is 12 shirts.

Answer: C

Explanation: A)
B)
C)
D)
E)

- 26) If Canadians were to specialize in the production of wine we could produce 10,000 bottles per month. If Canadians were to specialize in the production of wheat we could produce 200,000 bushels per month. The opportunity cost of a bottle of wine is 26) _____
- A) 2,500 bottles a week.
 - B) 20 bushels of wheat.
 - C) 0.
 - D) 1/20 of a bushel of wheat.
 - E) 120,000 bottles a year.

Answer: B

Explanation: A)
B)
C)
D)
E)

- 27) Andrew plans to open a laboratory in his basement. He quits his job, sacrificing \$30,000 a year; cashes in \$200,000 of Canada Savings Bonds that were paying him a coupon rate of 5 percent per year; and evicts a tenant who was paying \$10,000 a year in rent to live in the basement. The opportunity cost of this decision is equal to 27) _____
- A) \$30,000. B) \$0. C) \$240,000. D) \$40,000. E) \$50,000.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 28) Santiago allocates his time between fishing and farming. In one day he could catch 20 kilograms of fish *or* harvest 10 bushels of potatoes. Santiago's opportunity cost of farming is equal to 28) _____
- A) 2 kilograms per bushel.
B) 1/2 a kilogram per bushel.
C) 2 bushels per kilogram.
D) 1/2 a bushel per kilogram.
E) 2 potatoes per fish.

Answer: A

Explanation: A)
B)
C)
D)
E)

- 29) Amber has baked five delicious chocolate cheesecakes. When all implicit and external factors are considered, these five cheesecakes cost her a total of \$100. She thinks that producing a fifth cheesecake would increase these costs from \$100 to \$120. The smart choice for Amber would be to produce this fifth cheesecake only if the benefits from the fifth cheesecake are more than 29) _____
- A) \$25. B) \$30. C) \$24. D) \$120. E) \$20.

Answer: E

Explanation: A)
B)
C)
D)
E)

- 30) Last week Santiago found a brand new pair of red Nike Air Soles in the parking lot behind his car. Ironically, he had just paid \$120 to buy a pair of blue Nike Air Soles a few days earlier. A friend offers to buy the red Air Soles for \$80. Santiago declines the offer and decides to keep the shoes for himself. The opportunity cost of this decision is equal to 30) _____
- A) \$120 B) \$200 C) \$80 D) \$0. E) \$40.

Answer: C

Explanation: A)
B)
C)
D)
E)

31) Governments can intervene and correct the problem of negative externalities associated with smoking by

31) _____

- A) using subsidies to lower the cost of buying cigarettes and tobacco.
- B) using taxes and fines to reward smoking.
- C) using taxes and fines to penalize smokers.
- D) providing free medical care for smokers.
- E) investing in tobacco companies.

Answer: C

Explanation: A)
B)
C)
D)
E)

32) Mutual gains from voluntary trade require differences in

32) _____

- A) depreciation costs.
- B) implicit costs.
- C) comparative advantage.
- D) absolute advantage.
- E) external costs.

Answer: C

Explanation: A)
B)
C)
D)
E)

33) In two hours of work Clinton can catch 4 fish or he can pick 5 pints of berries. In two hours Dong can catch 6 fish or she can pick 9 pints of berries. Which statements is true?

33) _____

- A) Clinton has a comparative advantage in picking berries.
- B) Clinton has an absolute advantage in picking berries.
- C) Clinton has an absolute advantage in catching fish.
- D) Clinton has a comparative advantage in catching fish.
- E) Clinton will lose if he engages in trade.

Answer: D

Explanation: A)
B)
C)
D)
E)

34) Which of the following is a macroeconomic decision?

34) _____

- A) Whether you should buy a hybrid car in order to protect the environment.
- B) How many hours a week you will work at a wage of \$20 an hour.
- C) Whether you should adopt a pet.
- D) How you should allocate your spending between food and clothing.
- E) The Bank of Canada decides that interest rates should be increased.

Answer: E

Explanation: A)
B)
C)
D)
E)

35) It takes Mom 30 minutes to cook dinner. In the same time she can iron 6 of your shirts. Dad takes an hour to cook dinner and 30 minutes to iron a single shirt. In this situation 35) _____

- A) Dad has an absolute advantage in cooking.
- B) Dad should cook dinner; the opportunity cost is only 1 shirt.
- C) Mom should cook dinner and iron; trade is impossible.
- D) Dad should cook dinner; the opportunity cost is only 2 shirts.
- E) Dad has an absolute advantage in ironing shirts.

Answer: D

Explanation: A)
B)
C)
D)
E)

36) Charu can earn \$200 an hour playing online poker. If she spends an hour in the backyard she can rake up 2 bags of leaves. The opportunity cost of playing online poker is measured in units of 36) _____

- A) hours per hour.
- B) bags per dollar.
- C) bags per hour.
- D) dollars per bag.
- E) rakes per dollar.

Answer: B

Explanation: A)
B)
C)
D)
E)

37) Which of the following creates a limit on our ability to get what we want?

37) _____

- A) democracy
- B) money.
- C) capitalism.
- D) scarcity.
- E) socialism.

Answer: B

Explanation: A)
B)
C)
D)
E)

38) Which of the following is an example of a negative externality?

38) _____

- A) automobile emissions.
- B) brand proliferation.
- C) education.
- D) war.
- E) a forest fire.

Answer: A

Explanation: A)
B)
C)
D)
E)

39) Charles paid \$12 for a ticket to see the Blue Jays at the Rogers Centre. Once inside he must decide whether or not he wants to pay \$8 for a beer. Buying a beer would be a smart decision only if Charles gets benefits of at least

39) _____

- A) \$8.
- B) \$12.
- C) \$4.
- D) \$20.
- E) \$16.

Answer: A

Explanation: A)
B)
C)
D)
E)

40) Inputs in the circular flow of economic life include

40) _____

- A) households.
- B) businesses.
- C) governments.
- D) people.
- E) churches.

Answer: D

Explanation: A)
B)
C)
D)
E)

41) Which of the following is a limit on our ability to get what we want?

41) _____

- A) socialism.
- B) scarcity.
- C) socialization.
- D) time.
- E) specialization.

Answer: D

Explanation: A)
B)
C)
D)
E)

42) In the Circular Flow of Economic Life, the one role that only governments can fulfill is to

42) _____

- A) hire entrepreneurial abilities from corporations.
- B) set the rules of the game.
- C) boldly go where no man has gone before.
- D) sell businesses' labour services.
- E) own the assets of all large corporations.

Answer: B

Explanation: A)
B)
C)
D)
E)

43) Julia's total benefit of taking four university courses is equal to \$10,000. If she were to take a fifth course, her benefits would increase to \$12,000. Julia should take this fifth course only if

43) _____

- A) her additional costs are less than \$2,400.
- B) her total costs are less than \$12,000.
- C) the course is free.
- D) her total costs are less than \$10,000.
- E) her additional costs are less than \$2,000.

Answer: E

Explanation: A)
B)
C)
D)
E)

44) Failure to consider the impact of a positive externality associated with an activity will result in

44) _____

- A) a territory.
- B) a negative externality.
- C) a internality.
- D) too much of that activity.
- E) too little of that activity.

Answer: E

Explanation: A)
B)
C)
D)
E)

45) Which of the following is an example of a negative externality?

45) _____

- A) a statue.
- B) charity.
- C) second-hand smoke.
- D) free bus rides for seniors.
- E) specialization.

Answer: C

Explanation: A)
B)
C)
D)
E)

46) Specialization eliminates

46) _____

- A) scarcity.
- B) dependency.
- C) opportunity cost.
- D) mutual benefits.
- E) self-sufficiency.

Answer: E

Explanation: A)
B)
C)
D)
E)

47) Opportunity cost measures

47) _____

- A) the cost of all alternatives given up.
- B) the cost of the top two alternatives.
- C) the cost of the best alternative given up.
- D) the cost of the top ten alternatives.
- E) the cost of the worst case scenario.

Answer: C

Explanation: A)
B)
C)
D)
E)

48) Which of the following is a macroeconomic decision?

48) _____

- A) You switch your cellular plan from Telus to Rogers.
- B) You switch your cellular plan from Bell to Telus.
- C) You switch your cellular plan from Fido to Bell.
- D) The Government of Canada reduces the G.S.T.
- E) You switch your cellular plan from Rogers to Fido.

Answer: D

Explanation: A)
B)
C)
D)
E)

- 49) In a one-hour period, Chloe can bake 24 cookies or 12 blueberry muffins; Zabeen can bake 6 cookies or 2 blueberry muffins. Which of the following statements is true? 49) _____
- A) Zabeen's opportunity cost of a cookie is 6 muffins.
 - B) Zabeen's opportunity cost of a cookie is 2 muffins.
 - C) Zabeen's opportunity cost of a cookie is 4 muffins.
 - D) Chloe's opportunity cost of a muffin is 2 cookies.
 - E) Chloe's opportunity cost of a muffin is 12 cookies.

Answer: D

Explanation: A)
B)
C)
D)
E)

- 50) Viki paid \$12 to see the new Star Trek movie. Once inside she must decide whether or not to buy a bag of popcorn for \$4. Buying the popcorn would be a smart decision if Viki gets benefits of at least 50) _____
- A) \$12. B) \$20. C) \$8. D) \$4. E) \$16.

Answer: D

Explanation: A)
B)
C)
D)
E)

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 51) Macroeconomics analyzes performance of the whole Canadian economy and global economy: the combined outcomes of all individual microeconomic choices. 51) _____

Answer: ☒ True False

Explanation:

- 52) Voluntary trade is a zero-sum game. 52) _____

Answer: True ☒ False

Explanation:

- 53) When your employer offers a wage increase you decide to work more often. This is an example of a macroeconomic decision. 53) _____

Answer: ☒ True False

Explanation:

- 54) Microeconomics analyzes choices that individuals in households, individual businesses, and governments make, and how those choices interact in markets. 54) _____

Answer: ☒ True False

Explanation:

- 55) In one hour of work Francis can read 10 pages of an economics textbook or read 20 pages of an accounting textbook. Francis' opportunity cost of reading a page of economics is 2 pages of accounting. 55) _____

Answer: ☒ True False

Explanation:

- 56) A generous roommate who purchases a large number of the latest DVDs creates a positive externality with these purchases. 56) _____
Answer: ☒ True ☐ False
Explanation:
- 57) The decision to take this economics course creates a positive externality because your successful career will create rewarding jobs for other persons. 57) _____
Answer: ☒ True ☐ False
Explanation:
- 58) A roommate who throws wild parties every weekend might create positive externalities or negative externalities. It depends on your mood. 58) _____
Answer: ☒ True ☐ False
Explanation:
- 59) Germaine plans to attend college next semester. She expects this will cost her \$3,000 in tuition, \$600 in books, and \$4,000 for residence fees. Germaine currently earns \$24,000 a year working at Chapters but would have to quit work. Her opportunity cost of attending college is \$24,000. 59) _____
Answer: ☐ True ☒ False
Explanation:
- 60) Scarcity arises because we all have limited money, time, and energy. 60) _____
Answer: ☒ True ☐ False
Explanation:
- 61) In a zero-sum game, there must be a loser for every winner. 61) _____
Answer: ☒ True ☐ False
Explanation:
- 62) Individuals in households ultimately own all the inputs of an economy. 62) _____
Answer: ☒ True ☐ False
Explanation:
- 63) Specialization and voluntary trade eliminate the problem of scarcity. 63) _____
Answer: ☐ True ☒ False
Explanation:
- 64) Differences in opportunity costs are the key to mutually beneficial gains from trade. 64) _____
Answer: ☒ True ☐ False
Explanation:
- 65) Implicit costs measure the costs of investing your own time or money when compared to the best alternative uses of these scarce resources. 65) _____
Answer: ☒ True ☐ False
Explanation:

- 66) It takes Amber 5 minutes to iron a shirt and 20 minutes to wash her car. Gina can wash her car in 15 minutes but it takes her 10 minutes to iron a shirt. Mutually beneficial trade would occur if Amber specialized in ironing shirts and Gina specialized in washing cars. 66) _____
Answer: ☒ True ☐ False
Explanation:
- 67) An investor purchases 1,000 common shares in General Motors. This interaction takes place in input markets. 67) _____
Answer: ☒ True ☐ False
Explanation:
- 68) The true cost of any choice is the cost of the best alternative given up. 68) _____
Answer: ☒ True ☐ False
Explanation:
- 69) Voluntary trade is a smart choice because the value of what you give up is less than the value of what you get. 69) _____
Answer: ☒ True ☐ False
Explanation:
- 70) Opportunity cost is the key to achieving the mutual benefits from trade. 70) _____
Answer: ☒ True ☐ False
Explanation:
- 71) The National Ballet of Canada does not face a problem with scarcity. 71) _____
Answer: ☐ True ☒ False
Explanation:
- 72) Incentives work because these rewards and penalties change the costs and benefits of the choices you make. 72) _____
Answer: ☒ True ☐ False
Explanation:
- 73) A growing proportion of drivers in Canada are purchasing imported automobiles. This is an example of a macroeconomic decision. 73) _____
Answer: ☒ True ☐ False
Explanation:
- 74) There are some people and organizations who are unaffected by scarcity. 74) _____
Answer: ☐ True ☒ False
Explanation:
- 75) When you have no alternatives, the opportunity cost is zero. 75) _____
Answer: ☒ True ☐ False
Explanation:

- 76) Andrew decides to quit his job at TD Securities, sacrificing an annual salary of \$64,000, and open a tattoo parlour in his basement. Andrew will have to evict his tenant who currently pays \$16,000 a year to rent the basement. Andrew's implicit cost of opening the tattoo parlour is \$80,000. 76) _____
Answer: ☒ True False
Explanation:
- 77) A smart choice is based on a comparison of *marginal* benefits and *marginal* costs. 77) _____
Answer: ☒ True False
Explanation:
- 78) Deciding on how many hours to study should not depend on how much you have paid for tuition. 78) _____
Answer: ☒ True False
Explanation:
- 79) Costs incurred in the past are not relevant in making smart choices about your future. 79) _____
Answer: ☒ True False
Explanation:
- 80) Opportunity cost includes money cost. 80) _____
Answer: ☒ True False
Explanation:
- 81) When choosing whether or not to start smoking, the smart decision maker will also consider the external costs associated this activity. 81) _____
Answer: ☒ True False
Explanation:
- 82) Absolute advantage is the key to mutually beneficial gains from trade. 82) _____
Answer: True ☒ False
Explanation:
- 83) A university decides to impose a 10% surcharge on tuition fees in order to finance the cost of a new cafeteria. This is an example of a microeconomic decision. 83) _____
Answer: ☒ True False
Explanation:
- 84) The risk of getting a parking ticket should be included in opportunity cost when making a smart choice between parking illegally and purchasing a parking permit. 84) _____
Answer: ☒ True False
Explanation:
- 85) Germaine plans to attend college next semester. She expects this will cost her \$3,000 in tuition, \$600 in books, and \$4,000 for residence fees. Germaine currently earns \$24,000 a year working at Chapters but would have to quit work. Her opportunity cost of attending college is \$7,600. 85) _____
Answer: True ☒ False
Explanation:
- 86) Failure to recognize the costs of a negative externality will result in over-production of this good. 86) _____
Answer: ☒ True False
Explanation:

- 87) An absolute advantage reflects an ability to produce a product/service at a lower opportunity cost than another producer. 87) _____
Answer: True ☒ False
Explanation:
- 88) There is no such thing as a free lunch. 88) _____
Answer: ☒ True False
Explanation:
- 89) Businesses are buyers and households are sellers in input markets. 89) _____
Answer: ☒ True False
Explanation:
- 90) In one hour of work Francis can read 10 pages of an economics textbook or read 20 pages of an accounting textbook. Francis' opportunity cost of reading a page of accounting is 2 pages of economics. 90) _____
Answer: True ☒ False
Explanation:
- 91) To make a smart choice, the value of what you get must be greater than the value of what you give up. 91) _____
Answer: ☒ True False
Explanation:
- 92) Scarcity isn't an issue for a wealthy professional athlete like Tiger Woods. 92) _____
Answer: True ☒ False
Explanation:
- 93) Resale value is irrelevant when you are leasing a car. 93) _____
Answer: True ☒ False
Explanation:
- 94) In response to a wage increase, a manufacturer decides to hire fewer workers. This is an example of a microeconomic decision. 94) _____
Answer: ☒ True False
Explanation:
- 95) Businesses are sellers and households are buyers in input markets. 95) _____
Answer: True ☒ False
Explanation:
- 96) Voluntary trade is a smart decision because we can specialize and produce what we are good at producing, rather than work at producing only what we wish to consume. 96) _____
Answer: ☒ True False
Explanation:
- 97) In a zero-sum game, one person's benefits will equal other person's costs. 97) _____
Answer: ☒ True False
Explanation:

98) Trade is only beneficial if the traders have different comparative advantages.

98) _____

Answer: ☒ True ☐ False

Explanation:

99) Specialization and trade makes us dependent on others.

99) _____

Answer: ☒ True ☐ False

Explanation:

100) Differences in comparative advantage are the key to mutually beneficial gains from trade.

100) _____

Answer: ☒ True ☐ False

Explanation:

Answer Key
Testname: C1

- 1) E
- 2) E
- 3) B
- 4) C
- 5) D
- 6) A
- 7) D
- 8) D
- 9) B
- 10) B
- 11) B
- 12) C
- 13) B
- 14) A
- 15) E
- 16) A
- 17) A
- 18) E
- 19) C
- 20) E
- 21) B
- 22) E
- 23) E
- 24) D
- 25) C
- 26) B
- 27) E
- 28) A
- 29) E
- 30) C
- 31) C
- 32) C
- 33) D
- 34) E
- 35) D
- 36) B
- 37) B
- 38) A
- 39) A
- 40) D
- 41) D
- 42) B
- 43) E
- 44) E
- 45) C
- 46) E
- 47) C
- 48) D
- 49) D
- 50) D

Answer Key

Testname: C1

- 51) TRUE
- 52) FALSE
- 53) TRUE
- 54) TRUE
- 55) TRUE
- 56) TRUE
- 57) TRUE
- 58) TRUE
- 59) FALSE
- 60) TRUE
- 61) TRUE
- 62) TRUE
- 63) FALSE
- 64) TRUE
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- 90) FALSE
- 91) TRUE
- 92) FALSE
- 93) FALSE
- 94) TRUE
- 95) FALSE
- 96) TRUE
- 97) TRUE
- 98) TRUE
- 99) TRUE
- 100) TRUE