Week 2 Assignment

The due date for submitting this assignment has passed.
As per our records you have not through the submitted assignment.

1. Price elasticity of demand of substitute goods is
   - a) 1 point
   - b) 0 point
   - c) 2 points
   - d) No, the answer is incorrect.
   
   Assessed Answer: a) 1 point

2. The price elasticity of demand is a negative number this means
   - a) Demand decreases when price increases
   - b) Demand increases when price increases
   - c) The demand curve is downward sloping
   - d) An increase in income will reduce the quantity demanded
   
   Assessed Answer: b) 1 point

3. Price inelasticity of demand is
   - a) Income elasticity of demand
   - b) Income inelasticity of demand
   - c) Price elasticity of demand
   - d) No, the answer is incorrect.

   Assessed Answer: b) 1 point

4. The marginal product curve is above the average product curve when the average product is
   - a) Increasing
   - b) Decreasing
   
   Assessed Answer: a) 1 point

5. Average product reaches its maximum when
   - a) Marginal cost is zero
   - b) Marginal cost is very large
   - c) They are increasing prices to costs
   - d) It is equal to marginal product
   - e) It is always zero or less than marginal product
   - f) Marginal product is zero

   Assessed Answer: d) 1 point

6. Airline marginal revenue
   - a) Decreasing average variable costs
   - b) Decreasing marginal costs
   - c) Increasing marginal costs
   - d) All of the above
   - e) No, the answer is incorrect.

   Assessed Answer: b) 1 point

7. According to the theory of co-production of healthcare which are the factors of production
   - a) Patients
   - b) Physicians
   - c) Healthcare system
   - d) All of the above
   - e) S & S

   Assessed Answer: d) 1 point

8. Production function assumes (identify the correct characteristic)
   - a) There are two inputs
   - b) Technology may vary during a specific time
   - c) It should be specific to either short run or long run
   - d) None of the above
   - e) No, the answer is incorrect.

   Assessed Answer: d) 1 point

9. The combination of inputs is optimal at points of tangency between isoquants and isocosts
   - a) Isocost curve is the marginal cost for all inputs
   - b) Isocost is the marginal product of each input
   - c) All of the above are correct
   - d) None of the above are correct

   Assessed Answer: c) 1 point

10. Diminishing returns to scale
    - a) Isocosts move closer to each other
    - b) Isoquant is equals to
    - c) Isoquants move further away
    - d) No, the answer is incorrect.

   Assessed Answer: c) 1 point

11. A lack of beauty must be shifted further away from the origin
    - a) The prices of both inputs increase
    - b) Fixed cost increases
    - c) If there is an external to technology
    - d) All of the above are correct
    - e) No, the answer is incorrect.

   Assessed Answer: d) 1 point