Unit 3 - Week 1

Assignment 1

Due on 2020-05-12, 23:59:59

1. The standard econometric maximization problem is ___.
   a. A
   b. B
   c. C
   d. D
   e. E

2. Which of the following shows a horizontal motion trend?
   a. The number of days in a week
   b. The number of miles in a week
   c. The number of hours in a day
   d. The number of years in a century
   e. The number of days in a year

3. Which of the following statements is correct?
   a. A
   b. B
   c. C
   d. D
   e. E

4. The opportunity cost of going to college for a year is ___.
   a. The tuition fee
   b. The books
   c. Wages that one could have earned if one worked instead
   d. All of the above

5. Which of the following statements is incorrect?
   a. Market supply is the sum of all individual quantities supplied by all the firms at each price.
   b. As market demand rises, the quantity demanded increases at a rate equal to the market price.
   c. Market demand is a curve of all the quantities demanded at each price by all the individuals in an economy.
   d. When supply increases and price falls, moreover, the demand curve moves to the right.
   e. None of the above

6. Which of the following is not a demand curve for coffee?
   a. Quantity of coffee
   b. Price of coffee
   c. Quantity demanded and price
   d. All of the above

7. In which of the following cases is there a movement along supply curve of coffee?
   a. Increase in the prices of other coffee beans.
   b. Increase in the demand for coffee.
   c. Increase in the supply of coffee beans.
   d. None of the above

8. In a market economy, what controls the shortage and surplus?
   a. Government
   b. Suppliers
   c. Buyers
   d. Suppliers and buyers
   e. None of the above

9. In graphical representation of supply curve are ___.
   a. Quantity of good X, horizontal axis, and quantity of other goods Y on vertical axis.
   b. Quantity of good X and horizontal axis, and quantity of other goods Y on horizontal axis.
   c. Price of good X, horizontal axis, and quantity of the same good on vertical axis.
   d. None of the above

10. In a market economy, supply and demand are important because their interaction is crucial for ___.
    a. Allocating scarce resources
    b. Production of goods
    c. Determining the equilibrium price and quantity
    d. All of the above

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    c. Determining the equilibrium price and quantity
    d. All of the above