Quiz 5 | Behind Demand & Perfect Competition

- Due Feb 15 at 11:59pm
- Points 20
- Questions 20
- Time Limit None
- Allowed Attempts 2

Take the Quiz Again

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	54 minutes	14 out of 20

Correct answers are hidden.

Score for this attempt: 14 out of 20
Submitted Feb 15 at 7:43pm
This attempt took 54 minutes.

Question 1
1 / 1 pts
The idea of marginal analysis as economists use it implies

- ○ total consumption and production are analyzed.
- ◉ that people make incremental adjustments to an existing plan.
- ○ that buyers and sellers focus entirely on additional costs in their decision-making.
- ○ that once people have a plan to complete an objective, they pursue it consistently and do not change the plan.

Question 2
1 / 1 pts

Economists often use the term utility which means

- ○ consumption.
- ◉ satisfaction.
- ○ income.
- ○ production.

Question 3

1 / 1 pts

When economists attempt to predict the spending patterns of U.S. households, they will typically assume _____________________ is a primary determining factor influencing the individual consumption choices that a household will make.

- ○ average spending level for households in the country
- ○ the political party in power
- ◉ the level of income of the household
- ○ the level of savings of the household

Question 4

1 / 1 pts

Approximately what portion of annual consumption is typically spent by American households on shelter?

- ◉ one-third
- ○ one-fourth
- ○ one-half
- ○ one-fifth

Question 5

1 / 1 pts

The marginal utility of two goods changes ______________.

- ○ for the better, if taxes are imposed
- ○ as fewer of the goods are consumed, but only if the two goods are substitutes in consumption
- ○ if they are intertemporal choices
- ◉ as more of each of the goods are consumed

Question 6

1 / 1 pts

Economists generally assume that consumption of the first few units of any good or service tends to bring a higher level of _______ to a person than consumption of later units of a good or service.

- ◉ utility
- ○ income

- opportunity cost
- sunk costs

IncorrectQuestion 7

0 / 1 pts

The marginal benefit of a slice of pizza can be measured by the

- total amount of money that a consumer is willing to pay for a whole pizza, divided by the number of slices.
- largest amount that a consumer is willing to pay for the slice.
- total amount of money that a consumer is willing to pay for a whole pizza.
- price of the slice of pizza.
- difference between the value of the slice to the consumer and the price you must pay for the slice.

IncorrectQuestion 8

0 / 1 pts

The lesson of __________ is to forget about the money that's irretrievably gone and instead to focus on the marginal costs and benefits of future options

- marginal analysis
- budget constraints
- marginal utility
- sunk costs

IncorrectQuestion 9

0 / 1 pts

The assumption of perfect information in the supply and demand model means

- that buyers know all the prices charged for a good by all sellers prior to their purchase.
- that buyers and sellers are both informed about the quality of the product being exchanged.
- that buyers know about the warranty information for a given product.
- that sellers can anticipate changes in the prices of their factors of production in advance.

Question 10

1 / 1 pts

The term ________________ refers to the additional utility provided by one additional unit of consumption.

- added utility
- Giffen utility
- (selected) marginal utility
- utility

IncorrectQuestion 11

0 / 1 pts

Economists typically assume producers and consumers

- (selected) only pursue rational outcomes, and these outcomes would be agreed upon by all to be the most positive outcomes.
- can be rational, but are not systematically so.
- are rarely rational, but sometimes are purposeful in their behavior.
- are rational, and systematically work to achieve their goals.

Question 12

1 / 1 pts

The assumption in economics that, eventually, as one more unit of a good is consumed, the addition to satisfaction decreases is known as

- decreasing total utility
- marginal utility pattern
- (selected) diminishing marginal utility
- marginal income utility

Question 13

1 / 1 pts

When looking at market structure, __________________ and ______________________will lie at opposite ends of the concentration continuum.

- monopolistitic competition; monopoly
- (selected) perfect competition; monopoly
- perfect competition; monopolistic competition
- monopolistic competition; oligopoly

Question 14

1 / 1 pts

If a firm operating in a perfectly competitive market must accept the prevailing market price for its product, it is a

- (selected) price taker
- business entity
- business taker
- price setter

Question 15

1 / 1 pts

In a free-market economy, firms operating in a perfectly competitive industry are said to have only one major choice to make. What is it?

- what price to charge
- what should the quality of their product be
- how many workers to hire
- (selected) how much to produce

Question 16

1 / 1 pts

If a perfectly competitive firm raises its price, the quantity demanded of its product ____________.

- stays the same
- falls below marginal cost
- (selected) falls to zero
- diminishes temporarily in the short run

IncorrectQuestion 17

0 / 1 pts

Idaho farmers can sell as large a quantity of their potato crop as they wish,

- if they set their own price in the short run, but in the long run, the market sets the price.
- provided each is willing to accept the prevailing market price.
- (selected) if they set their own price in the long run, but in the short run, the market sets the price.
- provided quality is perceptible and determines the market price.

Question 18

1 / 1 pts

Which of the following characteristics does NOT describe a perfectly competitive market?

- Companies are able to enter and exit the market without any restrictions.
- Firms set different prices for their product, either at or above the equilibrium price.
- Many firms are producing identical products.
- There are many people who desire and have the ability to purchase the product.

Question 19

1 / 1 pts

Economic profit can be derived from calculating total revenues minus all of the firm's costs,

- excluding its opportunity costs.
- including its marginal revenue.
- excluding its accounting costs.
- including its opportunity costs.

IncorrectQuestion 20

0 / 1 pts

When economists refer to the concept of differentiated products they typically mean

- each product is very unique.
- the products are identical.
- the variety in the products available.
- the products are sold in the optimal locations.

Quiz Score: 14 out of 20