

## Feedback — Lecture Nine Quiz [Help](#)

You submitted this quiz on **Mon 25 Nov 2013 5:56 AM PST**. You got a score of **25.00** out of **25.00**.

### Question 1

When a “company town” is the main employer, it is said to have what kind of power in determining wages?

Your Answer	Score	Explanation
Monopoly		
Monopsony	Correct 1.00	
Oligopoly		
Don't know		
Total	1.00 / 1.00	

### Question 2

In a “company town” where one industry is the main employer:

Your Answer	Score	Explanation
Employment is higher and wage rate is higher than in the perfect competition case		
Employment is lower and wage rate is higher than in the perfect competition case		
Employment is lower and wage rate is lower than in the perfect competition case	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 3

Holding other things constant, immigration:

Your Answer	Score	Explanation
1. Increases the supply of labor	Correct 1.00	
2. Puts upward pressure on wages		
Both 1 and 2		
Don't know		
Total	1.00 / 1.00	

### Question 4

When labor unions negotiate contracts in an industry:

Your Answer	Score	Explanation
Employment is higher and the wage rate is higher than in the non-union case		
Employment is lower and the wage rate is higher than in the non-	Correct 1.00	

union case

Employment is the same and the wage rate is higher than in the non-union case

Don't know

Total

1.00 /

1.00

### Question 5

Looking at Column Three in the accompanying figure, what law is illustrated?



**Your Answer**

**Score**

**Explanation**

The law of demand

The law of diminishing returns      Correct 1.00

The law of marginal productivity

Don't know

Total

1.00 / 1.00

### Question 6

It will be profitable for a firm to hire additional units of a factor resource such as labor up to the point at which:

**Your Answer**

**Score**

**Explanation**

That resource's marginal revenue product is equal to its marginal resource cost

Correct 1.00

That resource's marginal revenue product is less than its marginal resource cost

That resource's total revenue product is equal to its total resource cost

Don't know

Total

1.00 /

1.00

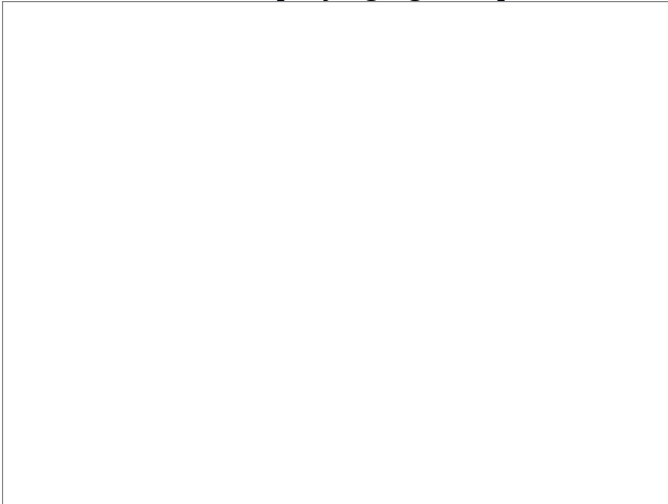
### Question 7

The resource demand curve under perfect competition slopes downward because:

Your Answer	Score	Explanation
1. Of diminishing marginal productivity		
2. Product price is constant		
Both 1 and 2	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 8

What does the accompanying figure represent?



Your Answer	Score	Explanation
The backward bending labor demand curve		
The backward bending labor supply curve	Correct 1.00	
The backward bending marginal revenue product curve		
Don't know		
Total	1.00 / 1.00	

### Question 9

In the accompanying graph, which effect dominates above Point C?

Your Answer	Score	Explanation
The income effect	Correct 1.00	
The substitution effect		
The marginal cost effect		
Don't know		
Total	1.00 / 1.00	

### Question 10

Human capital refers to:

Your Answer	Score	Explanation
1. The stock of useful and valuable skills accumulated in the process of their education and training.		
2. The stock of knowledge accumulated by people in the process of their education and training		
Both 1 and 2	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 11

Which of these is NOT a derived demand?

Your Answer	Score	Explanation
Accountants		
Barbers, haircuts		
Tax preparation	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 12

The strength of the demand for a factor such as labor will depend on:

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
1. The productivity of the factor		
2. The market price of the product		
Both 1 and 2	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 13

According to the Marginal Productivity Theory of Resource Demand, to maximize profits, the firm should hire additional units of a given resource – labor, land, and capital -- so long as each successive unit:

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
Adds more to the firm's average revenues than it does to average costs		
Adds more to the firm's marginal revenues than it does to average costs		
Adds more to the firm's total revenues than it does to total costs	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 14

If the number of workers already hired is such that the MRC of the last worker exceeds the MRP, a firm can increase its profits by:

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
Hiring more workers		
Laying off some workers	Correct 1.00	
Paying higher wages		
Don't know		
Total	1.00 / 1.00	

### Question 15

What is the complete rule for profit maximization under perfect competition in the labor market?

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
$MRP = MRC$		
$MRP = MRC = W$	Correct 1.00	
Total	1.00 / 1.00	

### Question 16

The wage rate will fall as:

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
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1. Productivity rises	
2. Product price falls	Correct 1.00
Both 1 and 2	
Don't know	
Total	1.00 / 1.00

### Question 17

Worker productivity depends on:

Your Answer	Score	Explanation
The amount of capital and natural resources		
The state of the technology		
The quality of the labor itself		
All of the above	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 18

The three major determinants of labor supply are

Your Answer	Score	Explanation
Labor force participation		
Hours worked		
Rate of immigration		
All of the above	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 19

The more you work, the more you will earn so each hour of leisure becomes more expensive to you as the wage rate rises. What is your incentive under this situation?

Your Answer	Score	Explanation
1. Substitute work for leisure		
2. Substitute leisure for work	Correct 1.00	
Neither 1 or 2		
Don't know		
Total	1.00 / 1.00	

### Question 20

Relative to perfect competition, the imperfectly competitive producer will:

Your Answer	Score	Explanation
1. Produce more of the product		
2. Employ fewer workers	Correct 1.00	

Both 1 and 2	
Don't know	
Total	1.00 / 1.00

### Question 21

A monopsonist is:

Your Answer	Score	Explanation
A wage maker	Correct 1.00	
A wage taker		
Has no influence on wages		
Don't know		
Total	1.00 / 1.00	

### Question 22

Compensating differentials :

Your Answer	Score	Explanation
1. Measure the relative attractiveness of jobs		
2. Measure the degree of risk		
Both 1 and 2	Correct 1.00	
Don't know		
Total	1.00 / 1.00	

### Question 23

Economists refer to the excess of wages above those of the next-best available occupation as a:

Your Answer	Score	Explanation
Bonus rent		
Quasi-rent	Correct 1.00	
Union rent		
Don't know		
Total	1.00 / 1.00	

### Question 24

Workers reluctant to move to other locations for work and leave friends, relatives, and associates will tend to:

Your Answer	Score	Explanation
Earn less	Correct 1.00	
Earn more		
Earn the same		
Don't know		
Total	1.00 / 1.00	

**Question 25**

Women and blacks who receive less pay than white men on the same job are victims of:

<b>Your Answer</b>	<b>Score</b>	<b>Explanation</b>
Geographical immobilities		
Institutional immobilities		
Sociological immobilities	Correct 1.00	
Don't know		
Total	1.00 / 1.00	