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| Started on | Friday, 28 March 2025, 10:34 AM |
| State | Finished |
| Completed on | Friday, 28 March 2025, 10:52 AM |
| Time taken | 17 mins 58 secs |
| Grade | 16 out of 18 (89%) |

Question **1**

Correct

Mark 2 out of 2

An economy in which there is unemployment is not producing on the production possibility frontier.

Select one:

- ☒ a. TRUE ✓
- ☐ b. FALSE

The correct answer is: TRUE

Question **2**

Correct

Mark 3 out of 3

At every point on an indifference curve, the

Select one:

- ☒ a. level of utility is constant. ✓
- ☐ b. prices of all goods are constant.
- ☐ c. marginal utility of each good is constant.
- ☐ d. consumer's income is constant.
- ☐ e. All of the above.

The correct answer is: level of utility is constant.

Question **3**

Incorrect

Mark 0 out of 2

If you own an ice cream parlour and the demand for ice cream is price inelastic, to increase the parlour's revenue requires a price reduction.

Select one:

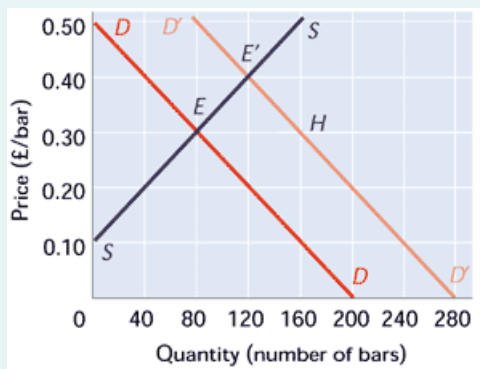
- ☒ a. TRUE ✗
- ☐ b. FALSE

The correct answer is: FALSE

Question 4

Correct

Mark 3 out of 3



In the figure above ...

Select one:

- ☐ a. demand has increased.
- ☐ b. the new equilibrium price and quantity are £0.40 and 120 respectively
- ☐ c. quantity supplied increased.
- ☐ d. an increase in consumer incomes might have caused the shift of the demand curve, if this is a normal good.
- ☒ e. All of the above. ✓

The correct answer is: All of the above.

Question 5

Correct

Mark 3 out of 3

The key economic problem is to reconcile the conflict between...

Select one:

- ☐ a. people's limited demands with society's virtually unlimited ability to produce goods and services to fulfil these demands.
- ☐ b. people's unlimited demands with society's virtually unlimited ability to produce goods and services to fulfil these demands.
- ☒ c. people's virtually unlimited demands with society's limited ability to produce goods and services to fulfil these demands. ✓
- ☐ d. people's somewhat limited demands with society's somewhat limited ability to produce goods and services to fulfil these demands.
- ☐ e. None of the above.

Your answer is correct.

The correct answer is: people's virtually unlimited demands with society's limited ability to produce goods and services to fulfil these demands.

Question 6

Correct

Mark 2 out of 2

In order to determine how much of a good an individual will buy, it is necessary to have information on income, preferences and prices.

Select one:

- ☒ a. TRUE ✓
- ☐ b. FALSE

The correct answer is: TRUE

Question **7**

Correct

Mark 3 out of 3

Which one of these would characterize a **luxury good**?

Select one:

- ☐ a. Negative income elasticity.
- ☐ b. Income elasticity of demand between 0 and -1.
- ☐ c. Positive own-price elasticity of demand.
- ☐ d. Negative cross-price elasticity of demand.
- ☒ e. None of the above. ✓

Your answer is correct.

The correct answer is: None of the above.

◀ First Midterm Exam
(Microeconomics numerical questions
part): 28 March 2025 [10:15-10:35]

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2nd midterm MACRO multiple
choice_3 ►