

Quiz (chapter 1)

Due Jan 30 at 11:59pm**Points** 13**Questions** 13**Available** Jan 28 at 12am - Jan 30 at 11:59pm 3 days**Time Limit** 30 Minutes

Instructions

This quiz covers material from chapter 1.

The time limit is 30 minutes.

This quiz was locked Jan 30 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	6 minutes	12 out of 13

Score for this quiz: **12** out of 13

Submitted Jan 28 at 2:38pm

This attempt took 6 minutes.

Question 1

1 / 1 pts

The English word that comes from the Greek word for "one who manages a household" is

☐ market.☐ consumer.☐ producer.☒ economy.**Correct!**

Question 2**1 / 1 pts**

Which of the following is correct?

Correct!

- ☐ The word economy comes from the Greek word for “rational thinker.”
- ☒ Economists study the management of scarce resources.
- ☐ Because economists believe that people pursue their best interests, they are not interested in how people interact.
- ☐ All of the above are correct.

Question 3**1 / 1 pts**

John is an athlete. He has \$120 to spend and wants to buy either a heart rate monitor or new running shoes. Both the heart rate monitor and running shoes cost \$120, so he can only buy one. This illustrates the principle that

Correct!

- ☐ trade can make everyone better off.
- ☒ people face trade-offs.
- ☐ rational people think at the margin.
- ☐ people respond to incentives.

Question 4**1 / 1 pts**

Guns and butter are used to represent the classic societal tradeoff between spending on

Correct!

- ☐ durable and nondurable goods.
- ☐ imports and exports.
- ☒ national defense and consumer goods.
- ☐ law enforcement and agriculture.

Question 5**1 / 1 pts**

Which of the following phrases best captures the notion of *efficiency*?

Correct!

- ☐ absolute fairness
- ☐ equal distribution
- ☒ minimum waste
- ☐ equitable outcome

Question 6**1 / 1 pts**

Ramona decides to spend two hours taking a nap rather than attending her classes. Her opportunity cost of napping is

Correct!

- ☒ the value of the knowledge she would have received had she attended class.



the \$24 she could have earned if she had worked at her job for those two hours.



the value of her nap minus the value of attending class.



nothing, since she valued sleep more than attendance at class.

Question 7

1 / 1 pts

The opportunity cost of going to college is



the total spent on food, clothing, books, transportation, tuition, lodging, and other expenses.



the value of the best opportunity a student gives up to attend college.



zero for students who are fortunate enough to have all of their college expenses paid by someone else.



zero, since a college education will allow a student to earn a larger income after graduation.

Correct!

Question 8

1 / 1 pts

Annie is an excellent baker and Sam has a plentiful farm. If Sam trades eggs and butter to Annie for some of Annie's bread and pastries,

Correct!

- ☐ only Sam is made better off by trade.
- ☐ only Annie is made better off by trade.
- ☒ both Sam and Annie are made better off by trade.
- ☐ neither Sam nor Annie are made better off by trade.

Question 9**1 / 1 pts**

Market failure can be caused by

- ☐ low consumer demand.
- ☐ equilibrium prices.
- ☒ externalities and market power.
- ☐ high prices and foreign competition.

Correct!**Question 10****1 / 1 pts**

Equality refers to how the pie is divided, and efficiency refers to the size of the economic pie.

- ☒ True
- ☐ False

Correct!

Question 11**0 / 1 pts**

The invisible hand ensures that economic prosperity is distributed equally.

You Answered☒ True**Correct Answer**☐ False**Question 12****1 / 1 pts**

Communist countries worked on the premise that government officials were in the best position to allocate the economy's scarce resources.

Correct!☒ True☐ False**Question 13****1 / 1 pts**

Inflation increases the value of money.

Correct!☐ True☒ False**Quiz Score: 12 out of 13**