

Quiz (chapter 2)

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 2.

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	10 out of 13

Score for this quiz: **10** out of 13

Submitted Jan 28 at 10:25pm

This attempt took 6 minutes.

Correct!

Question 1

1 / 1 pts

Economic models are built with

- ☐ recommendations concerning public policies.
- ☐ facts about the legal system.
- ☒ assumptions.
- ☐ statistical forecasts.

Question 2**0 / 1 pts**

In the simple circular flow diagram, the flow of money from the firms to the markets for factors of production is called

☐ spending.

☒ revenue.

☐ income.

☐ wages, rent, and profit.

you Answered**Correct Answer****Question 3****1 / 1 pts**

According to the circular flow diagram, if Suzy is a worker who delivers flowers for Happy Day Flower Company, she participates

☒ in the markets for factors of production exchanging labor for income.

☐ in the markets for factors of production exchanging flowers for revenue.

☐ in the markets for goods and services exchanging flowers for wages, rent, and profit.

☐ in the markets for goods and services exchanging labor for income.

Correct!**Question 4****1 / 1 pts**

According to the circular flow diagram, if Denny is the owner of a landscaping business and he just received \$50 for mowing Mrs. Pendleton's lawn,

- ☐ the \$50 represents a cost of production for Denny's firm.
- ☐ the \$50 represents wages, rent, and profit to Denny's firm.
- ☐ Denny acts as a firm who interacted in the markets for factors of production with Mrs. Pendleton.

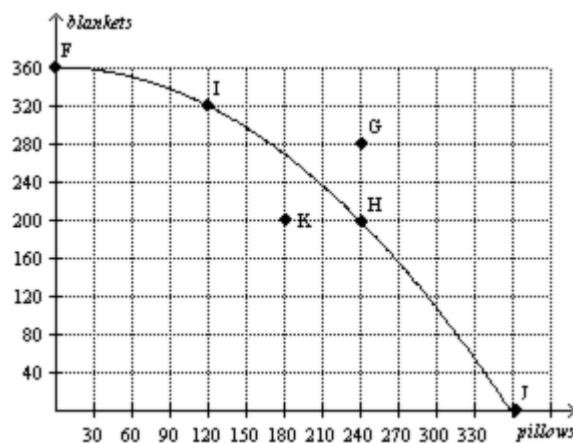
Correct!

- ☒ Denny acts as a firm who interacted in the markets for goods and services with Mrs. Pendleton.

Question 5

1 / 1 pts

Figure 2-6

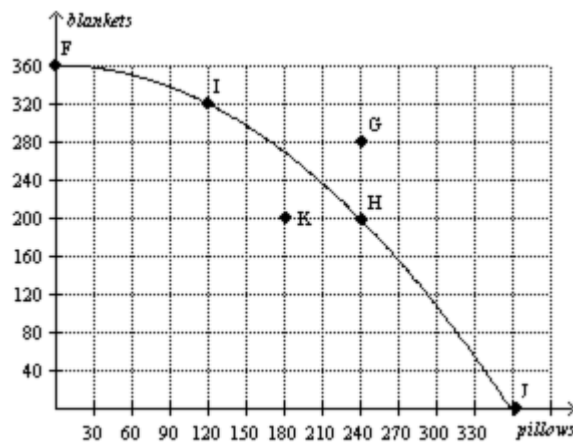


Refer to Figure 2-6. If this economy devotes all of its resources to the production of blankets, then it will produce

- ☐ 0 blankets and 360 pillows.

Correct!

- ☐ 200 blankets and 240 pillows.
- ☐ 320 blankets and 120 pillows.
- ☒ 360 blankets and 0 pillows.

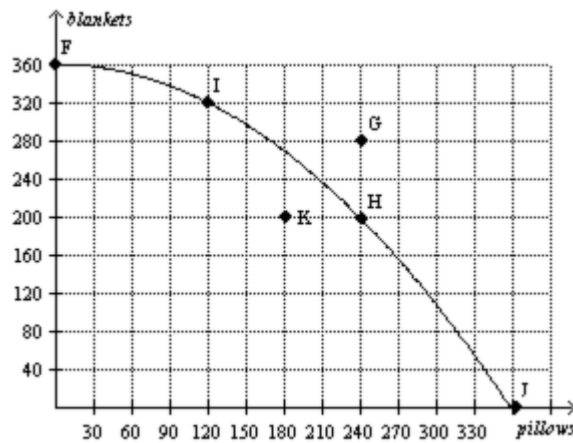
Question 6**1 / 1 pts****Figure 2-6**

Refer to Figure 2-6. A movement from point H to point K could be caused by

Correct!

- ☒ unemployment.
- ☐ a decrease in society's preference for pillows.
- ☐ fewer resources available for production of pillows.
- ☐ All of the above are correct.

Question 7**1 / 1 pts**

Figure 2-6

Refer to Figure 2-6. If this economy moves from point F to point G, then which of the following statements is correct?



This economy has moved from a point of inefficient production to a point of efficient production.



This economy has experienced economic growth.



This economy has experienced an increase in employment.



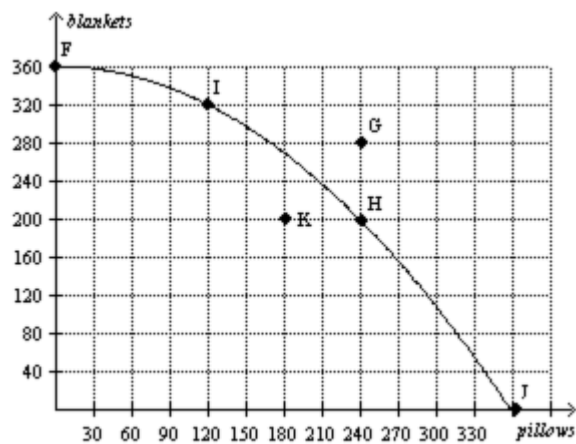
None of the above is correct.

Correct!

Question 8

1 / 1 pts

Figure 2-6



Refer to Figure 2-6. The opportunity cost of this economy moving from point I to point H is

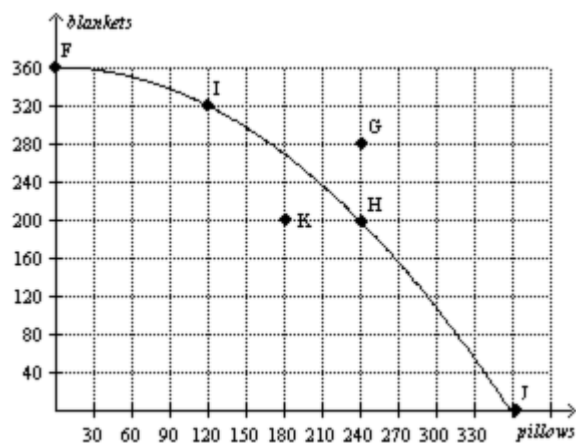
- ☐ 120 pillows.
- ☒ 120 blankets.
- ☐ 120 blankets and 120 pillows.
- ☐ 200 blankets.

Correct!

Question 9

1 / 1 pts

Figure 2-6



Refer to Figure 2-6. The opportunity cost of this economy moving from point K to point H is

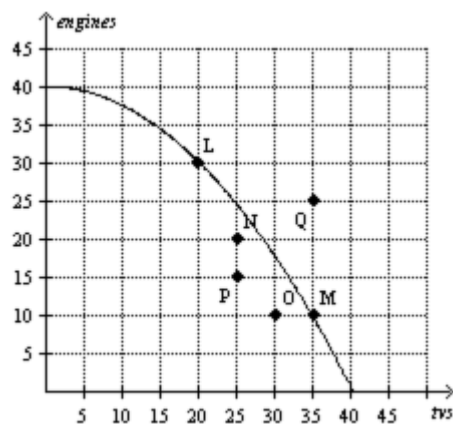
Correct!

- ☒ zero.
- ☐ 50 blankets.
- ☐ 60 pillows.
- ☐ 50 blankets and 60 pillows.

Question 10

1 / 1 pts

Figure 2-7



Refer to Figure 2-7. If this economy moved from point P to point N, then

Correct!

- ☒ it still would not be producing efficiently.
- ☐ there would be no gain in either engines or tvs.
- ☐ it would be producing more engines and more tvs than at point P.



It is not possible for this economy to move from point P to point N without additional resources.

Question 11**0 / 1 pts**

Positive statements are



prescriptive.



claims about how the world should be.



claims about how the world is.



made by economists speaking as policy advisers.

Correct Answer

You Answered

Question 12**0 / 1 pts**

Normative statements are



not usually made by economists.



claims about how the world should be.



claims about how variables in the economy normally behave.



pessimistic interpretations of the economy.

Correct Answer

You Answered

Question 13**1 / 1 pts**

Which of the following is an example of a normative - as opposed to a positive - statement?

- ☐ The discount rate is the interest rate the Federal Reserve charges banks to borrow funds.
- ☐ The US income tax rate increases with the amount of income earned.
- ☒ The government should increase the tax on gasoline.
- ☐ The US unemployment rate increased to 10 percent in 2009.

Correct!**Quiz Score: 10 out of 13**