

Quiz (chapter 16)

Due Mar 5 at 11:59pm**Points** 13**Questions** 13**Available** Mar 3 at 12am - Mar 5 at 11:59pm 3 days**Time Limit** 30 Minutes

Instructions

This quiz covers material from chapter 16.

The time limit is 30 minutes.

This quiz was locked Mar 5 at 11:59pm.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	15 minutes	11 out of 13

Score for this quiz: **11** out of 13

Submitted Mar 3 at 9:31am

This attempt took 15 minutes.

You Answered

Question 1

0 / 1 pts

The higher the concentration ratio, the

☒ more control an individual firm has to set prices.

☐ more competitive the industry.

☐ less competitive the industry.

Correct Answer

☐ Both a and c are correct.

Question 2**1 / 1 pts**

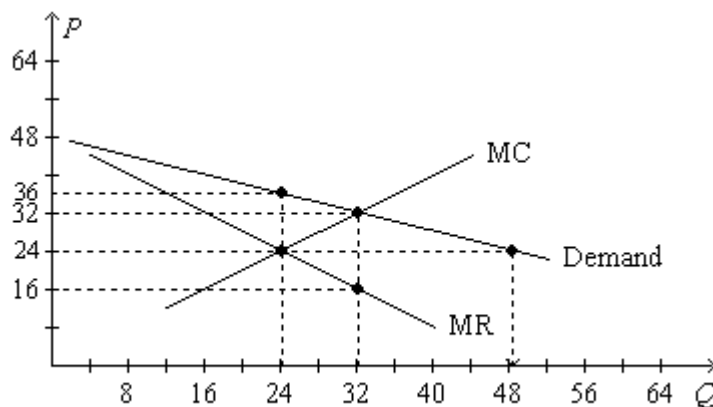
A downward-sloping demand curve

Correct!

- ☒ is a feature of all monopolistically competitive firms.
- ☐ means that the firm in question will never experience a zero profit.
- ☐ causes marginal revenue to exceed price.
- ☐ prohibits firms from earning positive economic profits in the long run.

Question 3**1 / 1 pts**

Figure 16-2. The figure is drawn for a monopolistically competitive firm.



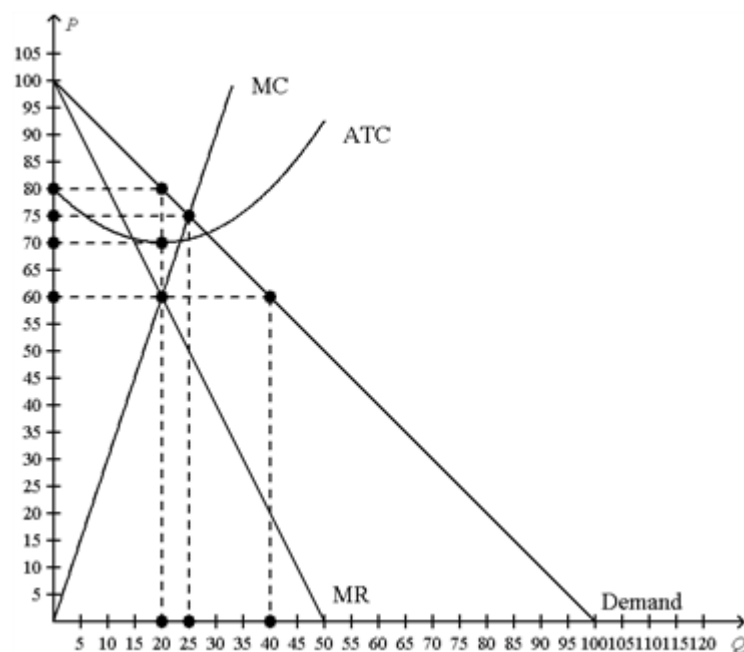
Refer to Figure 16-2. Suppose that average total cost is \$36 when $Q=24$. What is the profit-maximizing price and resulting profit?

- ☐ $P=\$24$, profit=\$0
- ☐ $P=\$36$, profit=\$144

Correct!
☐ P=\$36, profit=\$48

☒ P=\$36, profit=\$0
Question 4**1 / 1 pts****Figure 16-3**

This figure depicts a situation in a monopolistically competitive market.



Refer to Figure 16-3. How much profit will the monopolistically competitive firm earn in this situation?

☐ \$0

☐ \$80

☒ \$200

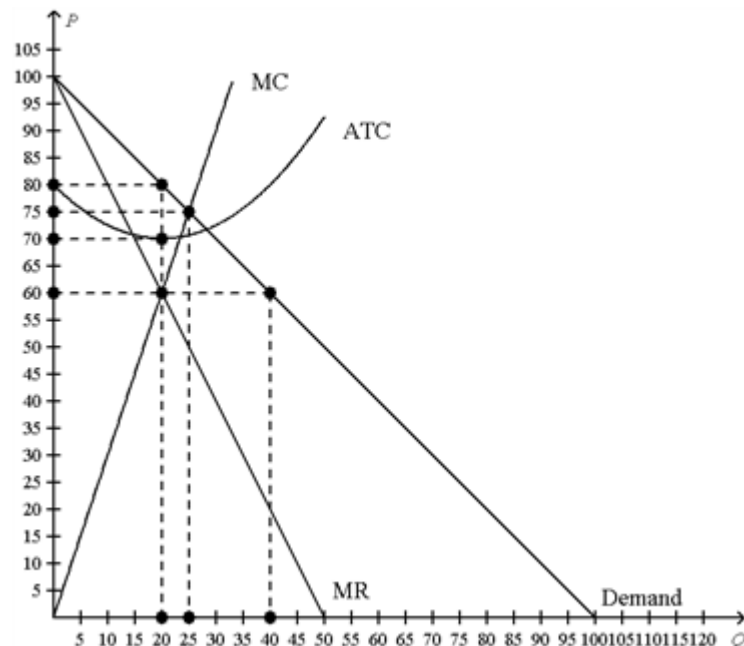
☐ \$400
Correct!

Question 5

1 / 1 pts

Figure 16-3

This figure depicts a situation in a monopolistically competitive market.



Refer to Figure 16-3. How much output will the monopolistically competitive firm produce in this situation?

Correct!

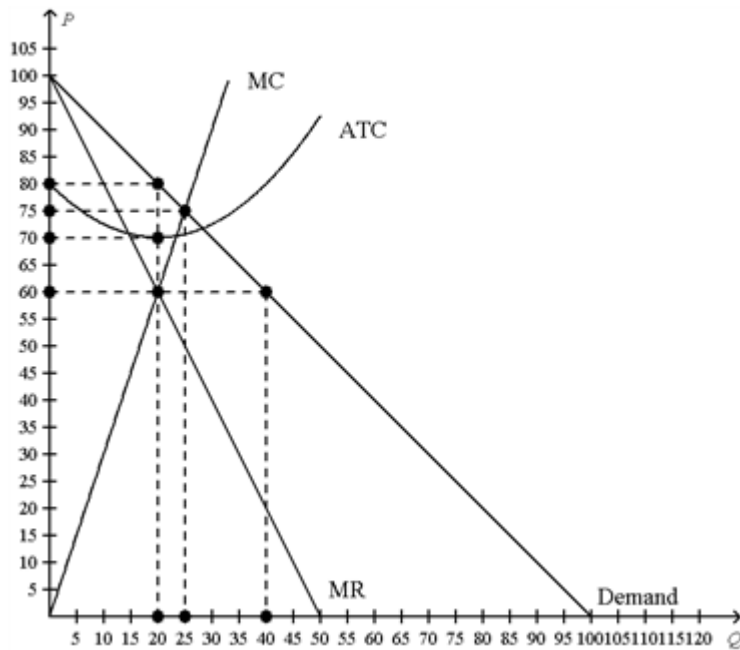
- ☒ 20 units
- ☐ 25 units
- ☐ 40 units
- ☐ 80 units

Question 6

1 / 1 pts

Figure 16-3

This figure depicts a situation in a monopolistically competitive market.



Refer to Figure 16-3. This firm is operating

Correct!

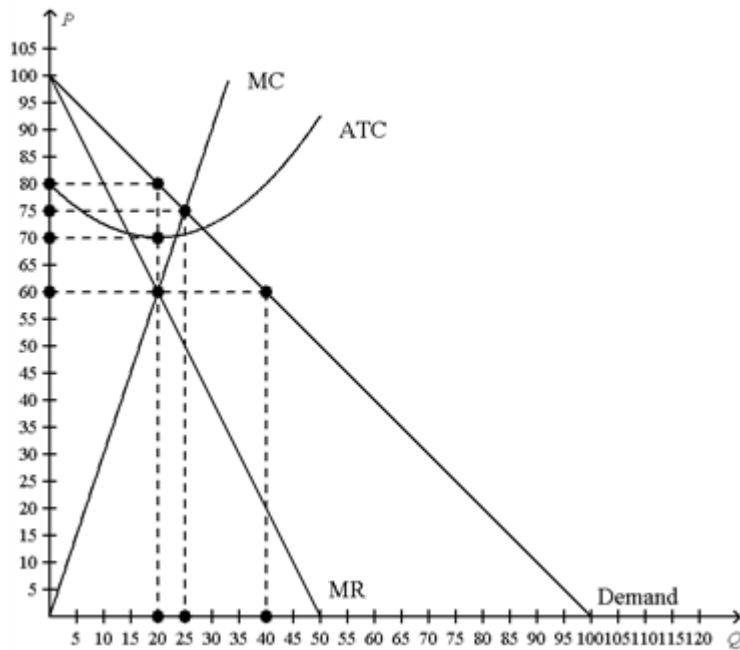
- ☒ in the short run and earning a positive economic profit.
- ☐ in the short run and breaking even.
- ☐ in the long run and earning a positive economic profit.
- ☐ in the long run and incurring an economic loss.

Question 7

1 / 1 pts

Figure 16-3

This figure depicts a situation in a monopolistically competitive market.



Refer to Figure 16-3. Which of the following will occur in the long run in this industry?

- ☐ Firms will exit this industry.
- ☒ Firms will enter this industry.
- ☐ This firm will continue to earn positive economic profits.
- ☐ This firm will incur losses.

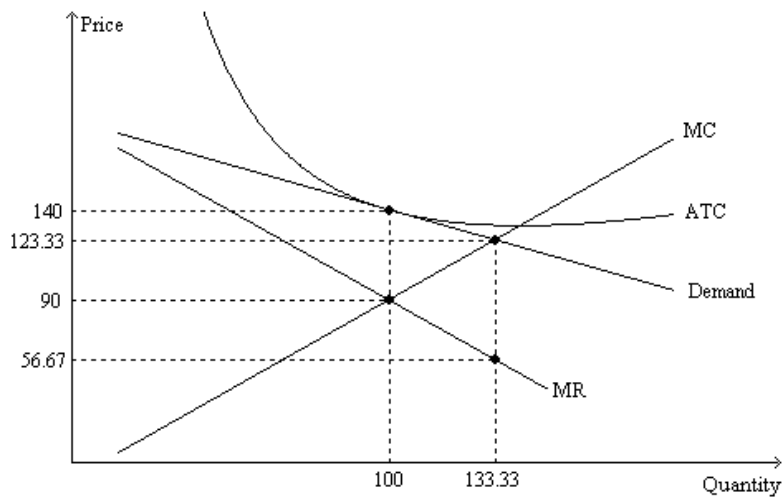
Correct!

Question 8

1 / 1 pts

Figure 16-9

The figure is drawn for a monopolistically-competitive firm.



Refer to Figure 16-9. The firm's maximum profit is

☐ \$-5,000.00.

☒ \$0.

☐ \$5,000.00.

☐ \$8,887.78.

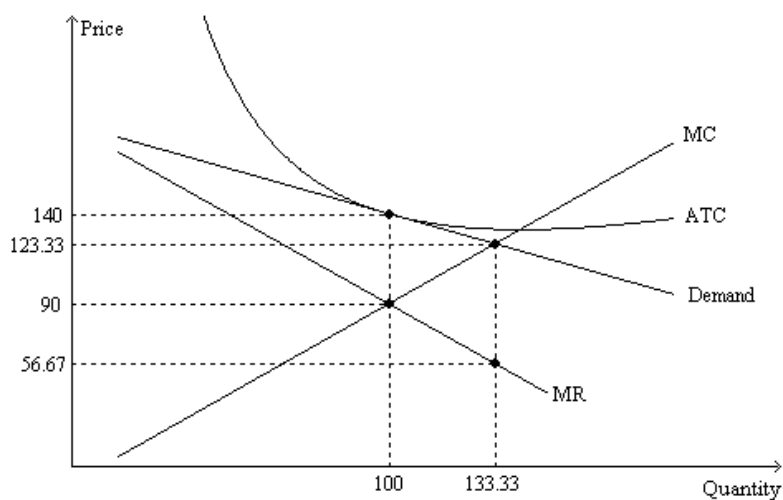
Correct!

Question 9

1 / 1 pts

Figure 16-9

The figure is drawn for a monopolistically-competitive firm.



Refer to Figure 16-9. For this firm, the long-run equilibrium quantity of output is

- ☐ 100 and the long-run equilibrium price is \$90.
- ☒ 100 and the long-run equilibrium price is \$140.
- ☐ 133.33 and the long-run equilibrium price is \$56.67.
- ☐ 133.33 and the long-run equilibrium price is \$123.33.

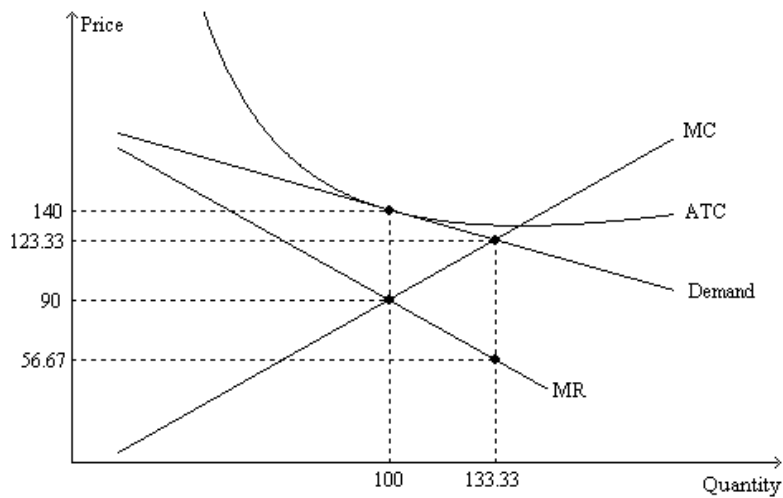
Correct!

Question 10

0 / 1 pts

Figure 16-9

The figure is drawn for a monopolistically-competitive firm.



Refer to Figure 16-9. Given this firm's cost curves, if the firm were perfectly competitive rather than monopolistically competitive, then in a long-run equilibrium it would produce

ou Answered

- ☒ less than 100 units of output.
- ☐ between 100 and 133.33 units of output.
- ☐ 133.33 units of output.

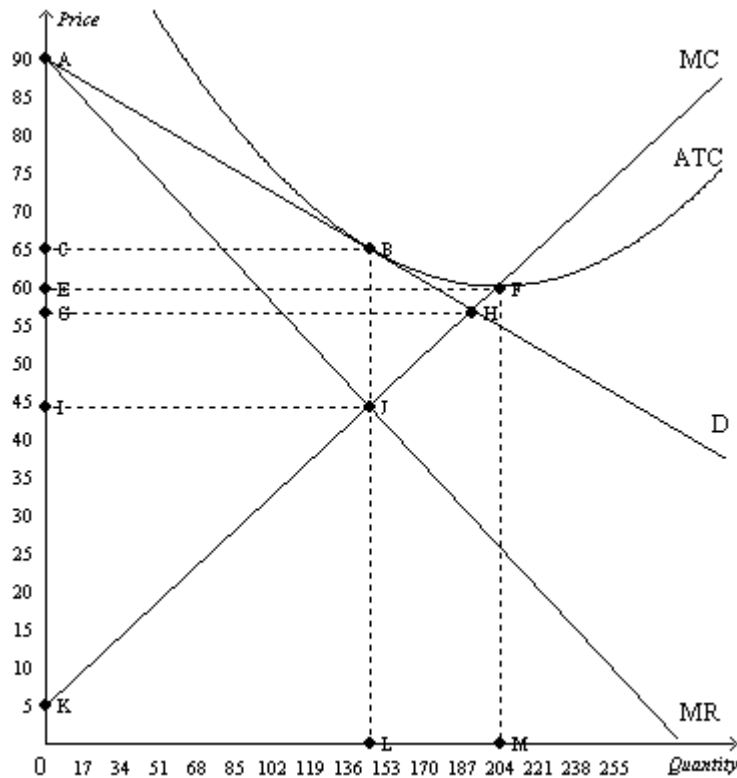
orrect Answer

- ☐ more than 133.33 units of output.

Question 11

1 / 1 pts

Figure 16-14



Refer to Figure 16-14. The deadweight loss from production for this firm is represented by which of the following areas?

☐ ABC

☐ IJK

☒ BHJ

☐ BCIJ

Correct!

Question 12

1 / 1 pts

Excess capacity is

☒

an example of the inefficiencies of monopolistically competitive markets.

Correct!

- ☐ a short-run problem but not a long-run problem.
- ☐ a characteristic of rising average total cost curves.
- ☐ Both a and b are correct.

Question 13**1 / 1 pts**

When existing firms lose customers and profits due to entry of a new competitor, a

- ☐ predatory-pricing externality occurs.
- ☐ consumption externality occurs.
- ☒ business-stealing externality occurs.
- ☐ product-variety externality occurs.

Correct!**Quiz Score: 11 out of 13**