



Score 17/20

You passed this Milestone

17 questions were answered **correctly**.

3 questions were answered **incorrectly**.

UNIT 4 — MILESTONE 4

Which of the following always occurs when a tax is imposed?

- ☐

Consumers pay more of the tax than producers.

- ☐

Producers pay more of the tax than consumers.

- ☐

The quantity sold of the good will increase.

- ☒

The price of the good will increase.

CONCEPT

[Taxation and Subsidy](#)

2

The following is a list of methods used to gather information on the burden pollution places on society.

Which of these is used to analyze how regulation affects market prices?

- ☐

Contingent valuation

- ☐

Healthcare outcomes

- ☒

Cost-benefit analysis

- ☐

Hedonic pricing

CONCEPT

[Assessing Costs of Waste and Pollution--Environmental Economics](#)

3

Pollution by-product that impacts third parties is which type of failure?

- ☐

Government failure due to moral hazard

- ☒

Market failure due to externalities

- ☐

Government failure due to externalities

- ☐

Market failure due to moral hazard

CONCEPT

[Details on Regulatory Intervention and Market Failure](#)

4

Which of the following statements best describes the minimum wage?

- ☒

It is a price floor that decreases consumer surplus as compared to the free market equilibrium price and output.

- ☐

It is a price ceiling that decreases producer surplus as compared to the free market equilibrium price and output.

- ☐

It is a price floor that decreases producer surplus as compared to the free market equilibrium price and output.

- ☐

It is a price ceiling that decreases consumer surplus as compared to the free market equilibrium price and output.

CONCEPT

[Welfare Analysis](#)

5

Which potential shortcoming below matches the contingent valuation method?

- ☐

It assumes ceteris paribus to evaluate observed pricing as a means to attribute costs to externalities.

- ☒

It relies on survey-based information that is subject to biases.

- ☐

It might not consider the heterogeneity of the population.

- ☐

It is limited by assessed inputs and might not consider wider economic impacts.

CONCEPT

[Assessing Costs of Waste and Pollution--Environmental Economics](#)

6

An economy in which price and quantity sold of goods and services is determined solely by supply and demand is a _____.

- ☐

command economy

- ☐

mixed market economy

- ☐

mixed command economy

- ☒

market economy

CONCEPT

[Comparative Economic Systems](#)

Which of the following is NOT one of the causes of unemployment?

- ☐
Economic slowing
- ☐
Change in industry composition
- ☐
Natural separation of employees
- ☒
The implementation of sustainable business practices

CONCEPT

[Assessing Costs of Unemployment--Labor Economics](#)

8

Which of the following is NOT an obstacle to the implementation of environmentally sustainable business practices?

- ☒
Environmental impact is not an issue for most investors when assessing the value of an investment.
- ☐
Environmentally sustainable business practices might not be profitable in the short term.
- ☐
CEOs have a fiduciary responsibility to guarantee returns on investments.
- ☐
Investor awareness of climate change as a risk has increased enough to be addressed by the SEC.

CONCEPT

[Sustainable Returns--Investor Impact](#)

9

If William quit his office job and is now looking for a position teaching English overseas, what type of unemployment would he be experiencing?

- ☐

Cyclical

- ☐

Structural

- ☐

Seasonal

- ☒

Frictional

CONCEPT

[Assessing Costs of Unemployment--Labor Economics](#)

10

Which of the following is a result of anthropomorphic climate change?

- ☐

Emissions gasses have decreased.

- ☐

Insurance claims have been turned over to government committees.

- ☐

Insurance is more readily available to consumers.

- ☒

Damage caused by weather-related disasters has increased.

CONCEPT

[Assessing Costs of Anthropomorphic Climate Change--Regulatory Intervention](#)

11

Which of the following is an example of the "tragedy of the commons?"

- ☐

It is difficult to keep people from watching the same movie because it is not rivalrous.

- ☐

It is difficult to keep common people out of private gardens because they are rivalrous and excludable.

- ☒

It is difficult to keep people from polluting the air because it is rivalrous but not exclusive.

- ☐

It is difficult to keep people from watching a fireworks display even if they don't pay because it is not rivalrous and not exclusive.

CONCEPT

[Public Goods, Private Goods, and the “Tragedy of the Commons”](#)

12

A(n) _____ good is one that can be consumed by one person, and still continue to be consumed by other people.

- ☒

non-rivalrous

- ☐

exclusive

- ☐

rivalrous

- ☐

non-exclusive

CONCEPT

[Public Goods, Private Goods, and the “Tragedy of the Commons”](#)

13

Where the supply curve is more inelastic than the demand curve, who bears more of the burden of a tax?

- ☐

There is not enough information to answer this question

- ☐

Producers

- ☐

Consumers

- ☒

Both consumers and producers share the burden equally

CONCEPT

[Taxation and Subsidy](#)

14

Patricia decides whether or not she can afford to travel to Africa to meet with vendors in person.

Which of the following shapes in a process map would this scenario correspond with?

- ☒

Diamond

- ☐

Circle

- ☐

Rectangle

- ☐

Oval

CONCEPT

[Process Mapping--Efficiency](#)

15

Which statement below is correct?

- ☒

Common goods are rival and nonexcludable.

- ☐

Public goods are rival and excludable.

- ☐

Common goods are nonrival and excludable.

- ☐

Private goods are nonrival and excludable.

CONCEPT

[Public Goods, Private Goods, and the “Tragedy of the Commons”](#)

16

Choose the example below that is a coincidence indicator.

- ☐

Laffer Curve

- ☐

Weekly jobless claims

- ☒

Consumer confidence index

- ☐

Unemployment rate

CONCEPT

[Coincident Indicators](#)

17

Which of the following is an example of moral hazard?

- ☐

The monopoly granted by the government to a power company

- ☐

Secondhand smoke costs that result in higher health insurance premiums

- ☒

Continuance of unemployment benefits that act as a disincentive for people to find jobs

- ☐

A congresswoman voting for additional fracking rights to bring more money to her local district

CONCEPT

[Details on Regulatory Intervention and Market Failure](#)

18

Joe owns an electrical company that specializes in work on custom homes.

Which of the following economic indicators would be most helpful in Joe's line of business for helping him to decide whether or not to add a permanent employee to payroll?

- ☐

The S & P 500

- ☐

The unemployment rate

- ☐

Building permits

- ☒

The Conference Board Consumer Confidence Index

CONCEPT

[Key Leading Indicators](#)

19

Which statement below is NOT true regarding process mapping?

- ☒

Almost all business practices and decisions have been documented in some way or another.

- ☐

Process mapping forms a foundation for efficiency evaluation.

- ☐

A process map is a visual representation of the stages in a process.

- ☐

Process mapping is used for evaluating sustainable business solutions.

CONCEPT

[Process Mapping--Efficiency](#)

20

CEO "say on pay" was a result of _____.

- ☒

closer investor scrutiny of CEO pay

- ☐

CEOs deciding what type of stock options to issue their executive employees

- ☐

CEO involvement in selection of mutual funds in which to place their companies

- ☐

greater CEO involvement in "green initiatives"

CONCEPT

[Sustainable Returns--Investor Impact](#)

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