Default for ECO231
The default category for questions shared in context 'ECO231'.
Fill in the Blank (FBQs)
FBQ1
Each firm is a price __________ in a perfectly competitive resource market

Taker
1.0000000
FBQ2
Each firm in a perfectly competitive market faces a resource supply curve that is perfectly __________ at the equilibrium resource price

Elastic
1.0000000

0.0000000
FBQ3
The marginal factor cost curve in a perfectly competitive market is __________ at the market price of the resource

Horizontal
1.0000000

0.0000000
FBQ4
A firm in the labour market is in equilibrium when Marginal __________ productivity curve of labour cuts the marginal factor cost curve from above

Revenue
1.0000000

0.0000000
FBQ5
__________ is a market situation in which there is only one buyer of the factors of production

Monopsony
1.0000000

0.0000000
FBQ6
__________ of factor refers to a situation in which it is employed at a price that is less than its marginal productivity

Exploitation
1.0000000

0.0000000
FBQ7
Price of a factor of production under imperfect competition will be less than __________ revenue productivity

Marginal
1.0000000

0.0000000
FBQ8
In __________ factor market, firms can influence the price

Imperfect
1.0000000

0.0000000
FBQ9

The marginal productivity theory of income distribution states that under perfect competition, factor tends to receive a real rate of return which was exactly just equal to their marginal __________

Productivity
1.0000000

0.0000000
FBQ10
The marginal productivity theory of distribution determines the __________ of factors of production

Prices
1.0000000

0.0000000
FBQ11
When Marginal Physical Product is multiplied by price, it is called __________ of marginal product

Value
1.0000000

0.0000000
FBQ12
__________ revenue product is the addition made to total revenue by employing an additional unit of a factor

Marginal
1.0000000

0.0000000
FBQ13
Under perfect competition, a firm employs various units of a factor up to that point where the price paid to the factor is equal to its marginal __________

Productivity
1.0000000

0.0000000
FBQ14
Marginal productivity theory assumes that productivity of a factor is __________ in all its uses

Equal
1.0000000

0.0000000

0.0000000
FBQ15
The marginal productivity theory has how many assumptions?

7
1.0000000
Seven
1.0000000
FBQ16
Demand for factors of production is a __________ demand

Derived
1.0000000

0.0000000

FBQ17
How much a factor of production will be demanded in the market depends upon on how many parameters?

2
1.0000000
Two
1.0000000
FBQ18
By __________ of demand for factors is refers to the degree of responsiveness of demand for the various factors to changes in their prices.

Elasticity
1.0000000

0.0000000
FBQ19
If the price of a factor of production forms a very small proportion in the total costs of a product, then its demand will be __________

Inelastic
1.0000000

0.0000000
FBQ20
If cost forms a greater proportion of the total cost, then its demand will be __________

Elastic
1.0000000

0.0000000
FBQ21
If the demand for a commodity is fairly elastic, then the demand for factors which go to make the product will be __________

Elastic
1.0000000

0.0000000
FBQ22
If a factor of production is easily substitutable in the market, then its demand will be fairly __________

Elastic
1.0000000

0.0000000
FBQ23
If we add up laterally individual demand curves of all the firms, we get __________ demand curve for a factor

Market
1.0000000

0.0000000
FBQ24
The supply of a factor to an industry depends upon the __________ earnings of the various units of factor

Transfer
1.0000000

0.0000000

FBQ25
One characteristic of factors of production is that they do not bear direct relation between the prices of services offered by the factors of production and their __________ of production

Cost
1.0000000

0.0000000
FBQ26
The supply of factors of production is very __________ because each factor presents a peculiar problem of its own

Complicated
1.0000000

0.0000000
FBQ27
The supply curve of a factor of production is __________ inclined

Positively
1.0000000

0.0000000
FBQ28
The theory of factor pricing assumes that all the unit of a factor is __________ but in the real life, they are different from each other.

Homogenous
1.0000000

0.0000000
FBQ29
The expenditure incurred on employing of the factor of production is called __________ of the factor

Cost
1.0000000

0.0000000
FBQ30
If every unit of the factor is available at the same __________ average cost of the factor and marginal cost of the factor is the same

Price
1.0000000

0.0000000
FBQ31
__________ productivity prefers to extra unit of output or product as a result of the employment of an extra unit of labour while keeping the application of other factors fixed

Marginal
1.0000000

0.0000000
FBQ32
__________ productivity refers to per unit productivity of a variable factor

Average
1.0000000

0.0000000

FBQ33
In Stackelberg's model of __________, the players of this game are a leader and a follower and they compete on quantity

Duopoly
1.0000000

0.0000000
FBQ34
The Stackelberg leader is sometimes referred to as the __________ leader

Market
1.0000000

0.0000000
FBQ35
Firms may engage in Stackelberg competition if one has some sort of __________ enabling it to move first

Advantage
1.0000000

0.0000000
FBQ36
If one firm in an oligopoly reduces its prices, then all of the other firms in the oligopoly will __________ theirs

Reduce
1.0000000

0.0000000
FBQ37
A firm in an oligopoly market will have a __________ demand curve

Kinked
1.0000000

0.0000000
FBQ38
The __________ model is essentially the Cournot-Nash model except the strategic variable is price rather than quantity.

Bertrand
1.0000000

0.0000000
FBQ39
The __________ Nash model is the simplest oligopoly model

Cournot
1.0000000

0.0000000
FBQ40
Price leadership is sometimes called __________ collusion

Tacit
1.0000000

0.0000000
FBQ41
In some markets, there is a single model that controls a share of the market and a group of smaller firms __________

Dominant
1.0000000

0.0000000
FBQ42
___________ Collusion results when two or more firms reach a formal agreement.

Explicit
1.0000000

0.0000000
FBQ43
___________ collusion results when two or more firms informally control the market with necessarily reaching a formal agreement

Implicit
1.0000000

0.0000000
FBQ44
Because oligopoly has a small number of firms, the incentive to cooperate through ___________ is quite high

Mergers
1.0000000

0.0000000
FBQ45
___________ means that oligopolistic firms perpetually balance the need for competition against the benefits of cooperation

Interdependence
1.0000000

0.0000000
FBQ46
___________ among interdependent oligopoly firms is comparable to a game or an athletic contest

Competition
1.0000000

0.0000000
FBQ47
An ___________ is where there are a few sellers with similar or identical products

Oligopoly
1.0000000

0.0000000
FBQ48
A ___________ competitive market has characteristics of both perfect competitive and monopoly

Monopolistic
1.0000000

0.0000000
FBQ49
___________ power means that the firm has control over the terms and conditions of exchange

Market

1.0000000

0.0000000
FBQ50
In a monopoly industry, __________ profits could persist indefinitely due to the existence of barriers to entry

Economic
1.0000000

0.0000000
Multiple Choice Questions (MCQs)
MCQ1
___behaviour also expect that a consumer should not spend too much money by buying tons of items and stockpiling them for the future, or starve themselves by buying no food at all

Rational

1.0000000
Decisive

0.0000000
Gullible

0.0000000
Consistent

0.0000000
MCQ2
The basis of consumer behaviour is underlined by the thinking referred to as ___

law of marginal utility

0.0000000
law of diminishing marginal equity

0.0000000
law of diminishing marginal utility

1.0000000
Equi-marginal principle

0.0000000
MCQ3
___ connotes the expression, “more is always better than less”.

Transitivity

0.0000000
Consistency

0.0000000
Decisiveness

0.0000000
Non-satiation

1.0000000
MCQ4
___ is based on the notion that as a consumer consumes more and more of a particular good, the additional utility obtained decreases

Decisiveness

0.0000000
Consistency

0.0000000
Transitivity

0.0000000
Convexity

1.0000000
MCQ5
The consumer preferences include the following EXCEPT

Rationality

1.0000000
Consistency

0.0000000
Decisiveness

0.0000000
Non Satiation

0.0000000
MCQ6
___ is defined as the level of happiness or satisfaction connected with alternative choices

Value

0.0000000
Opportunity Cost

0.0000000
Utility

1.0000000
None of the Options

0.0000000
MCQ7
A consumer ___ utility if the utility received is greater than or equal to the naira spent.

Maximizes

1.0000000
Minimizes

0.0000000
Moderates

0.0000000
Maintains

0.0000000
MCQ8
A consumer maximizes utility when the ___ is tangent to the highest attainable indifference curve.

Utility

0.0000000
Budget line

1.0000000
Marginal utility

0.0000000
Total utility

0.0000000
MCQ9
The ___ associated with a good is the level of happiness derived from consuming the good.

Total utility

1.0000000
Average utility

0.0000000
Marginal utility

0.0000000
None of the Options

0.0000000
MCQ10
___ means an additional or incremental utility

Total utility

0.0000000
Average utility

0.0000000
Marginal utility

1.0000000
None of the Options

0.0000000
MCQ11
___ is the difference between total utility derived from one level of consumption and total utility derived from another level of consumption

Marginal utility

1.0000000
Average utility

0.0000000
Equi-marginal utility

0.0000000
None of the Options

0.0000000
MCQ12
When MUA/PA = MUB/PB = ... = MUZ/PZ, for all commodities (A-Z) is called ___

equimarginal average

0.0000000
equimarginal product

0.0000000
equimarginal principle

1.0000000
equimarginal utility

0.0000000
MCQ13
There is a possibility that an inferior good may have an upward sloping demand curve if the ___ is larger in magnitude than the substitution effect

price effect

0.0000000
input effect

0.0000000
output effect

0.0000000
income effect

1.0000000
MCQ14
___is a graph of all combinations of goods that provide a given level of utility.

Indifference equation

0.0000000
Indifference curve

1.0000000
Indifference map

0.0000000
None of the Options

0.0000000
MCQ15
The slope of indifference curve is known as the ___

marginal rate of utility

0.0000000
marginal rate of technical substitution

0.0000000
marginal rate of substitution

1.0000000
marginal indifference curve

0.0000000
MCQ16
Perfect substitutes have ___ indifference curves

straight-line

1.0000000
Concave

0.0000000

Convex

0.0000000
Semi-convex

0.0000000
MCQ17
The ___ is used to explain the distinction between substitution and income effects of a price change

welfare theory

0.0000000
product theory

0.0000000
monetary theory

0.0000000
indifference theory

1.0000000
MCQ18
___ proposed the value in use and value in exchange

John Maynard Keynes

0.0000000
Adam Smith

1.0000000
Alfred Marshal

0.0000000
Karl Marx

0.0000000
MCQ19
The ___ say that income is equal to the sum of consumer expenditure

Cobb Douglas function

0.0000000
Price function

0.0000000
Utility function

0.0000000
budget constraint

1.0000000
MCQ20
A ___ is the price of one good in terms of another.

absolute price

0.0000000
absolute price

0.0000000
relative price

1.0000000

real price

0.0000000
MCQ21
The ___ received by this consumer is the difference between the total benefit and total cost..

consumer ratio

0.0000000
consumer profit

0.0000000
consumer overdraft

0.0000000
consumer surplus

1.0000000
MCQ22
___ is best defined as the structural/organizational and other characteristics of a market

Market structure

1.0000000
Market Parlance

0.0000000
Perfect Market

0.0000000
Imperfect Market

0.0000000
MCQ23
___ is characterized by many buyers and sellers, many products that are similar in nature and, as a result, many substitutes

monopolistic competition

0.0000000
Semi-perfect competition

0.0000000
Perfect competition

1.0000000
Imperfect competition

0.0000000
MCQ24
Price x Quantity/Quantity = ___

Revenue

0.0000000
Total Revenue

0.0000000
Marginal revenue

0.0000000
None of the Options

1.0000000
MCQ25
Revenue earned by a firm per unit of output is called ___

gross revenue

0.0000000
total revenue

0.0000000
marginal revenue

0.0000000
average revenue

1.0000000
MCQ26
Revenue earned by selling additional unit of output is called as ___

gross revenue

0.0000000
total revenue

0.0000000
marginal revenue

1.0000000
average revenue

0.0000000
MCQ27
Each firm faces a demand curve for its product that is ___ at the market price.

perfectly elastic

1.0000000
perfectly inelastic

0.0000000
fairly elastic

0.0000000
fairly inelastic

0.0000000
MCQ28
The demand curve facing perfectly competitive firm is characterized by the following multiple equality: ___

P=D=MR=MC

0.0000000
P=D=TR=MR

0.0000000
P=D=AR=MR

1.0000000
P=D=AR=TR

0.0000000
MCQ29

What is the average revenue for a firm which is selling 35 units of commodity X and getting the total revenue of N3000?

82.73

0.0000000
83.70

0.0000000
84.72

0.0000000
85.71

1.0000000
MCQ30
By selling 30 units, firm JKB make N300. After selling the 31st unit, firm‘s revenue increased to 318. What is the marginal revenue in this situation?

17.5

0.0000000
18

1.0000000
18.5

0.0000000
17

0.0000000
MCQ31
Profit is maximized when marginal revenue equals marginal cost and marginal cost is ___

Zero

0.0000000
Rising

1.0000000
Falling

0.0000000
Constant

0.0000000
MCQ32
___ equals the market price for a firm facing a perfectly elastic demand curve.

Marginal revenue

1.0000000
Total revenue

0.0000000
Average revenue

0.0000000
None of the Options

0.0000000
MCQ33
A firm’s profit per unit of output equals ___

revenue – total cost

1.0000000
revenue – total fixed cost

0.0000000
revenue – total variable cost

0.0000000
None of the Options

0.0000000
MCQ34
In mathematical terms, this means that the firm will stay in business as long as ___

TR = P x Q < VC

0.0000000
TR = P x Q > VC

1.0000000
TR = P x Q = VC

0.0000000
None of the Options

0.0000000
MCQ35
The firm will shut down if the ___

price is equal to average cost

0.0000000
price is equal to average variable cost

0.0000000
price is greater than average variable cost

0.0000000
price is less than average variable cost

1.0000000
MCQ36
If the market price is just equal to the minimum point on the ATC curve, the firm will receive a level of economic profits equal to ___

Zero

1.0000000
One

0.0000000
Unitary

0.0000000
Infinity

0.0000000
MCQ37
In general, a perfectly competitive firm's short-run supply curve is the portion of its marginal cost curve that ___ the AVC curve.

lies below

0.0000000
lies above

1.0000000
Is equal

0.0000000
None of the Options

0.0000000
MCQ38
This long-run equilibrium condition has ___ desirable efficiency properties

Two

1.0000000
Three

0.0000000
Four

0.0000000
None of the Options

0.0000000
MCQ39
Production at ___ means that society is producing each good at the lowest possible cost per unit.

minimum marginal cost

0.0000000
minimum average variable cost

0.0000000
minimum total cost

0.0000000
minimum average cost

1.0000000
MCQ40
P = MC, and P = minimum ATC ___ occurs

Economic Growth

0.0000000
Economic Development

0.0000000
Economic efficiency

1.0000000
Economic Paradox

0.0000000
MCQ41
___ is equal to the net benefit that consumers receive from the consumption of a good

consumer surplus

1.0000000
consumer benefit

0.0000000
consumer sovereignty

0.0000000
None of the Options

0.0000000
MCQ42
A ___ is a single producer of a product, which does not have close substitute

Perfect competitor

0.0000000
oligopoly

0.0000000
monopsony

0.0000000
None of the Options

1.0000000
MCQ43
The following are major types of barriers to entry encountered by a monopolists except ___

economic

0.0000000
legal

0.0000000
deliberate

0.0000000
social

1.0000000
MCQ44
The demand curve facing a monopoly firm is ___

Downward sloping

1.0000000
Upward sloping

0.0000000
Perfectly elastic

0.0000000
Perfectly inelastic

0.0000000
MCQ45
A profit- maximizing monopolist must take its ___ and its ___ into account in

determining how much output to produce.

Price, cost

0.0000000
Costs, revenue

1.0000000
Quantity, price

0.0000000
Revenue, price

0.0000000
MCQ46
A monopoly firm will shutdown in the short run if the price falls below ___

TFC

0.0000000
TVC

0.0000000
AFC

0.0000000
AVC

1.0000000
MCQ47
As in all other market structures, the monopolist is constrained by the ___ for its product

Demand

1.0000000
Price

0.0000000
Supply

0.0000000
None of the Options

0.0000000
MCQ48
If a monopoly firm wishes to maximizes its profit, it must select the level of output at which ___.

AC = AR

0.0000000
TC = TR

0.0000000
AVC = AFC

0.0000000
None of the Options

1.0000000
MCQ49
___ is a pricing strategy that enables monopolist to charge customers different prices for the same or service.

Price Discrimination

1.0000000
Monopoly Pricing

0.0000000
Monopoly Power

0.0000000
Monopoly Franchising

0.0000000
MCQ50
In ___ the seller will charge each customer the maximum price that he or she is willing to pay

pure monopoly franchising

0.0000000
pure monopoly pricing

0.0000000
pure price discrimination

1.0000000
pure monopoly power

0.0000000