

Microeconomics - Practice Worksheet

Multiple-Choice Questions

1. What does the concept of 'utility' represent in economics?

- A. Production efficiency
- B. Happiness or satisfaction
- C. Cost of goods
- D. Revenue from sales

2. What is meant by 'opportunity cost'?

- A. Monetary cost only
- B. Cost of labor
- C. Cost of capital
- D. Value of the next best alternative

One-Word / One-Liner Questions

1. Define opportunity cost.

2. What is marginal utility?

Brief Question-Answers

1. What is the law of diminishing marginal utility?

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2. What is the Production Possibilities Frontier (PPF)?

Match the Columns

Column A:

1. Utility
2. Opportunity Cost
3. Marginal Utility
4. Elastic Demand
5. Inelastic Demand
6. Supply Curve
7. Demand Curve
8. Equilibrium Price
9. Price Ceiling
10. Price Floor

Column B:

- A. Satisfaction from consumption
- B. Next best alternative
- C. Utility from one more unit
- D. Sensitive to price changes
- E. Insensitive to price changes
- F. Producer's willingness to sell
- G. Consumer's willingness to buy
- H. Price where demand equals supply
- I. Maximum legal price
- J. Minimum legal price