

Microeconomics - Practice Worksheet

Answer Key

Multiple-Choice Answers:

1. Happiness or satisfaction
2. Value of the next best alternative

One-Word / One-Liner Answers:

1. Value of the next best alternative forgone.
2. The additional utility from consuming one more unit.

Brief Question-Answers:

1. The law states that as a person consumes more units of a good, the additional satisfaction gained from each extra unit decreases.
2. The PPF is a curve that shows the maximum feasible amounts of two goods that a country can produce given its resources and technology.

Match the Column Answers:

1. Utility -> Satisfaction from consumption
2. Opportunity Cost -> Next best alternative
3. Marginal Utility -> Utility from one more unit
4. Elastic Demand -> Sensitive to price changes

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5. Inelastic Demand -> Insensitive to price changes
6. Supply Curve -> Producer's willingness to sell
7. Demand Curve -> Consumer's willingness to buy
8. Equilibrium Price -> Price where demand equals supply
9. Price Ceiling -> Maximum legal price
10. Price Floor -> Minimum legal price