

Economics and b. government c.

Government



1. Which of the following is not a key trade-off faced by society? A. who gets good and service? B. whether or not to produce. C. how to produce? D. which goods and services to produce. 2. Most microeconomic models assume that decision makers wish to A. act selfishly. B. make themselves as well off as possible C. make others as well off as possible. D. none of the above. 3. What links the decisions of consumers and firms in market? A. coordination's officials B. government C. prices D. microeconomics 4. The price of a good or service is: A. Always equal to the cost of producing the good B. Never affected by number of buyers and seller.

C. Usually determined in a market. D. None of the above. 5. Economists make many assumptions to simplify their models because. A. they are lazy B. no one would understand complex models. C. the real world is too complex to analyze fully. D. none of the above. 6. Which of the following is an example of a positive statement? A. if you consume this good you, will get sick. B. since this good is bad for you, you should not consume it. C. if this good is bad for you, you should not consume it D. none of the above. 7. Which of the following is true. A. A normative economic statement is a testable hypothesis about cause and effect.

B. a positive statement concerns what somebody believes should happen; a normative statement concerns what will happen. C. A normative statement concerns what somebody believes should happen; a positive statement concerns what will happen. D. none of the above are true. 8. Microeconomic models used to. A. evaluate policy alternatives. B. make predictions. C. explain real life phenomena D. all of the above 9. Which of the following choices is an example of a negative externality. A. educations B. mercury

emissions from a coal-fired power plant C. your neighbor is trimming the hedge between your houses. D polio vaccinations