

# Economics and real value

[Economics](#)



**ASSIGN  
BUSTER**

If General Motors increases its production of Subs this year, it will have to spend more on advertising. D) If Borders Books increases the number of titles it carries, it will have to reallocate shelf space accommodate the new titles. 3) Use the following two statements to answer this question: I. Economic theories are developed to explain observed phenomena by deducing from a set of basic rules and assumptions. II. Economic theories use value judgments to determine which people ought to pay more taxes. A) Both I and II are true. B) I is true, and II is false.

C) I is false, and II is true. D) Both I and II are false. ) Which of the following is a positive statement? A) Intermediate microeconomics should be required of all economics majors in order to build a solid foundation in economic theory. B) The minimum wage should not be increased because this action would increase unemployment. C) Smoking should be restricted on all airline flights. D) All automobile passengers should be required to wear seatbelts in order to protect them against injury. E) none of the above 5) Which of the following is a positive statement?

A) When the price of a good goes up, consumers buy less of it. B) When the price of a good goes up, firms produce more of it. C) When the Federal government sells bonds, interest rates rise and private investment is reduced. D) all of the above E) none of the above Economics and Real Value By Wilkinson normative questions, it is necessary to make value judgments. II. In order to conduct positive economic analysis, it is always necessary to use empirical evidence in addition to economic theories. A) I and II are incorrect. B) I is correct, II is incorrect.

C) I is incorrect, II is correct. D) Both I and II are correct. 7) Which of the following statements is NOT true? A) The trade-offs facing consumers and producers are based on prices. B) All prices are determined by market interactions between buyers and sellers. C) Prices serve an important role in microeconomics. D) Only A and B above are false. E) Only B and C above are false. 8) The trade-offs facing consumers include: A) how to allocate income across goods and services. B) how to allocate income between consumption and savings.

C) both A and B D) none of the above 9) The trade-offs facing workers include all of the following EXCEPT: A) decision to work or remain outside the workforce. B) decision to work or seek additional education. C) decision to work for a large corporation or a small firm. D) decision to allocate their time between work and leisure. E) All of the above are trade-offs facing workers. 10) Firms face trade-offs in production, including decisions related to: A) which products to produce. B) how much of a particular product to produce.

C) the best way to produce a given amount of output. D) all of the above 11) Why is market definition important for economic decision making? A) A firm is interested in knowing its actual and potential competitors. B) A firm will define its market in order to maximize revenue. C) Government regulators are interested in knowing the effect of mergers and acquisitions on competition and prices in a particular market. D) both A and C E) both A and B 12) Which of the following is NOT an example of ways in which microeconomic analysis can help in designing environmental policy?