Economics mcq

Economics

The field of economics that is most relevant to the managerial Decision making process is: A. Macroeconomics. B. Microeconomics. C. Labor economics. D. International economics. 4. The profit motive is important because: A. It is the signaling mechanism for the dynamic reallocation of Society's scarce productive resources. B. It encourages unethical behavior by shareholders. Monopolistic markets. D. It promotes the equitable distribution of income in an Quantitative methods: A. Refer to the tools and techniques of economic analysis. C. It discourages economy. 5. B. Include optimization analysis and statistical methods. C.

Include game theory and capital budgeting. D. All of the above. 6. Economic profit is: A. Total revenue minus total cost. B. Total economic revenue minus total economic cost. C. Total revenue minus total economic cost. D. Total revenue minus total explicit cost. 7. Market processes: A. Rely on the intervention of government regulators to answer Three basic economic questions. B. Summarize the interaction of supply and demand to answer the Three basic C. Are only possible with barter transactions. D. Use custom and tradition to answer the three basic economic questions. 8. Total economic costs is: A. Total out-of-pocket expenses.

Economics Mac By channel 509 C. Total explicit and total implicit costs. D. Total accounting costs. 9. In the long run, a profit-maximizing firm will choose to exit a market when A. Fixed costs exceed sunk costs. B. Average fixed cost is rising. C. Revenue from production is less than total costs. D. Marginal cost exceeds marginal revenue at the current level of production. 10. Which of the following is not a property of assonants? A. Assonants never intersect each other. B. Assonants are concave to the origin. C. Assonants slope downwards. D. None of the above. 11. The marginal rate of technical substitution is

A. The rate at which a producer is able to exchange, without affecting the quantity of output produced, a little bit of one input for a little bit of another input. B. The rate at which a producer is able to exchange, without affecting the total cost of inputs, a little bit of one input for a little bit of another input. C. The rate at which a producer is able to exchange, without affecting the total inputs used, a little bit of one output for a little bit of another output. D. A measure of the ease or difficulty with which a producer can substitute one technique of production for another. 12.

A negatively loped Squanto implies A. Products with negative marginal utilities. B. Products with positive marginal utilities. C. Inputs with negative marginal products. D. Inputs with positive marginal products. 13. If a simultaneous and equal percentage decrease in the use of all physical inputs leads to a larger percentage decrease in physical output, a firm's production function is said to exhibit A. Decreasing returns to scale. B. Constant returns to scale. C. Increasing returns to scale. D. Discomposes of scale. 14. Suppose a firm is using two inputs, labor and capital. What will happen if the price of labor falls?