Economic Fundamentals questions
Part III
Operating in situation C, what is the opportunity cost to produce one more pair of shoes?

a. 6 belts
b. 4 belts
c. 1 shoes
d. 1 shoes and 6 belts
Operating in situation C, what is the opportunity cost to produce one more pair of shoes?

a. 6 belts  
b. 4 belts  
c. 1 shoes  
d. 1 shoes and 6 belts
Operating in situation E, what is the marginal benefit of moving to situation D?

a. 5 pair of shoes
b. 5 belts
c. 4 belts
d. 1 pair of shoes
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a. 5 pair of shoes
b. 5 belts
c. 4 belts
d. 1 pair of shoes
In what condition would the factory be operating at the capacity depicted by Example G?

a. Not possible. Beyond the capability.
b. Inefficient operations
c. Maximum capacity
d. Opportunity cost
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a. Not possible. Beyond the capability.

b. Inefficient operations

c. Maximum capacity

d. Opportunity cost
What is the production combination beyond the capability of the factory?

a. 4 shoes, 20 belts
b. 0 shoes, 25 belts
c. 5 shoes, 0 belts
d. 1 shoes, 10 belts
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a. 4 shoes, 20 belts
b. 0 shoes, 25 belts
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If the output of Y was greatly reduced, which point on the curve would BEST represent the likely result?

Point A
Point B
Point C
Point D
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Point A

**Point B**

Point C

Point D
In the graph, the ideal price and level of output for this farm is:

a. P1 and Y1
b. P3 and Y2
c. P4 and Y3
d. P3 and Y1
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a. P1 and Y1
b. P3 and Y2
c. P4 and Y3
d. P3 and Y1
Katherine is facing a difficult decision between how much time she spends as a cheerleader and how much time she spends studying economics. Which economic concept describes the problem she is facing?

a. Competition
b. fiscal policy
c. Scarcity
d. supply and demand
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An opportunity cost of going to college would be the

a. cost of housing and food
b. cost of books and tuition
c. degree and the money you will earn
d. money you could have earned at a job
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In a market system, which best answers the question, "What goods and services will be produced?"

a. Any good for which consumers are willing to pay a high enough price
b. Only those goods whose long-term profits are greater than average profits
c. Any good whose production is characterized by the lowest cost of technology
d. Any good that returns its producers sufficient revenue to cover its total costs
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What fundamental question relates most directly to consumer sovereignty?

a. How will the system promote progress?
b. What goods and services will be produced?
c. How will goods and services be produced?
d. Where will goods or services be offered for sale?
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a. How will the system promote progress?

b. What goods and services will be produced?

c. How will goods and services be produced?

d. Where will goods or services be offered for sale?
In which kind of economy are prices determined by supply and demand \textit{and} by government actions?

a. Command  
b. Market  
c. Mixed  
d. Traditional
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The BEST example of how the free enterprise system of the United States promotes individual initiative would be

a. Requiring men to register for selective service.
b. Citizens being called to serve on a jury.
c. The legislative branch enacting an income tax.
d. Laws which allow authors to copyright original works.
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When a society invests in education, it is improving its productivity by investing in

a. the future.
b. human capital.
c. capital goods.
d. entrepreneurship.
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a. the future.

b. **human capital**.

c. capital goods.

d. entrepreneurship.
The opportunity cost of moving from A to B is:

a. 7 units of computers
b. 39 units of textbooks
c. 4 units of computers
d. 26 units of textbooks
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