

- 1    Microeconomics deals with:
- the working of the entire economy or large sectors of it. *Incorrect*
  - economic growth. *Incorrect*
  - individual decision makers in the economy. (*True Answer*) *Correct*
  - gross domestic product. *Incorrect*
- 

- 2    The study of a single firm and how it determines prices would fall under the study of:
- macroeconomics. *Incorrect*
  - microeconomics. (*True Answer*) *Correct*
  - economic growth. *Incorrect*
  - fiscal policy. *Incorrect*
- 

- 3    Macroeconomics deals with:
- bits and pieces of the economy. *Incorrect*
  - the question of how a business unit should operate profitably. *Incorrect*
  - the working of the entire economy or large sectors of it. (*True Answer*) *Correct*
  - how individuals make decisions. *Incorrect*
- 

- 4    The primary emphasis in macroeconomics is on:
- how firms set prices. *Incorrect*
  - the national economy. (*True Answer*) *Correct*
  - marginal analysis. *Incorrect*
  - bits and pieces of the economy. *Incorrect*
- 

- 5    Which of the following would be studied in macroeconomics?
- the change in automobile sales due to a change in the price of automobiles *Incorrect*
  - the impact of a tax reduction on the profits of an individual business *Incorrect*
  - recessions (*True Answer*) *Correct*
  - the unemployment of workers displaced by technological

change in the typesetting industry *Incorrect*

---

6    Scarcity in economics means:

- We do not have sufficient resources to produce all the goods and services we want. (*True Answer*) *Correct*
  - The wants of people are limited. *Incorrect*
  - There must be poor people in rich countries. *Incorrect*
  - Shortages exist in nearly all markets. *Incorrect*
- 

7    If resources are “scarce,” it means that they:

- cannot provide enough goods or services to satisfy all human material wants and needs. (*True Answer*) *Correct*
  - have no opportunity cost. *Incorrect*
  - are probably not valued by consumers. *Incorrect*
  - have an unlimited supply. *Incorrect*
- 

8    A key theme fundamental to all of economics is:

- There are limited wants. *Incorrect*
  - We are a rich country but are simply not aware of it. *Incorrect*
  - People have unlimited wants facing limited means to satisfy them. (*True Answer*) *Correct*
  - There are unlimited resources. *Incorrect*
- 

9    The problem of scarcity is confronted by:

- industrialized societies only. *Incorrect*
  - preindustrialized societies only. *Incorrect*
  - societies governed by communist philosophies only. *Incorrect*
  - all societies. (*True Answer*) *Correct*
- 

10    When we are forced to make choices, we are facing the concept of:

- *ceteris paribus*. *Incorrect*
- free goods. *Incorrect*
- scarcity. (*True Answer*) *Correct*
- the margin. *Incorrect*

---

11    The basic concern of microeconomics is:

- to keep business firms from losing money. *Incorrect*
- to prove that capitalism is better than socialism. *Incorrect*
- to study the choices people make. *(True Answer) Correct*
- to use unlimited resources to produce goods and services to satisfy limited wants. *Incorrect*

---

12    How people choose among the alternatives available to them is:

- not part of the study of economics. *Incorrect*
- impossible to describe. *Incorrect*
- the study of microeconomics. *(True Answer) Correct*
- not important. *Incorrect*

---

13    We are forced to make choices because of:

- exploitation. *Incorrect*
- efficiency. *Incorrect*
- scarcity. *(True Answer) Correct*
- the margin. *Incorrect*

---

14    Scarcity exists when:

- making choices among two or more alternatives is not necessary. *Incorrect*
- individuals can have more of any good. *Incorrect*
- individuals can have more of one good but only at the expense of another. *(True Answer) Correct*
- resources are unlimited. *Incorrect*

---

15    Scarcity in economics means:

- We do not have sufficient resources to produce all of the goods and services we want. *(True Answer) Correct*
  - The wants of people are limited. *Incorrect*
  - There must be poor people in rich countries. *Incorrect*
  - Economists are clearly not doing their jobs. *Incorrect*
-