

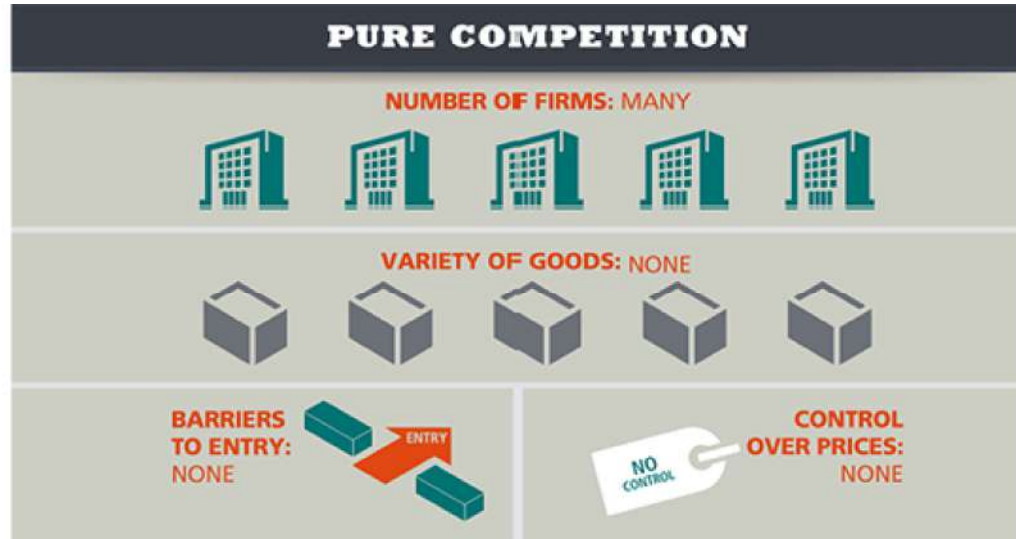
Student Name: _____
Teacher Name: Westmoreland
Class Name/Subject: Economics
Period: _____
Assignment Week #: 1

Econ Topic 4 extended Quiz - Available online at: <https://bit.ly/3e1jJL9>

Multiple Choice

1 point each. Identify the choice that best completes the statement or answers the question.

_____ 1.



Aside from what is shown in the diagram, what else is true about this type of market?

- a. It turns out overpriced goods.
 - b. It produces goods inefficiently.
 - c. It has a small number of buyers.
 - d. It generates minimal profits.
- _____ 2. *Marielle liked knitting scarves and sweaters for her family and friends. One of her friends urged her to begin selling what she made. During the holiday season, Marielle set up a table at the weekly flea market in her town. Her knitted goods sold well, but after the holidays, Marielle decided to go back to knitting for relatives and friends.*

Which characteristic of pure competition is illustrated by this scenario?

- a. Many sellers participate in the market.
 - b. Sellers offer identical products.
 - c. Buyers and sellers are well informed about products.
 - d. Sellers are able to enter and exit the market easily.
- _____ 3. Why did local phone companies have a natural monopoly before the arrival of cellular technology?
- a. Local governments did not want to pay more than one company to provide phone service.
 - b. The federal government chose one company to provide each area with local phone service.
 - c. It was inefficient for more than one company to run the wires connecting customers.
 - d. Only one company was large enough to provide local phone service to everyone.

Name: _____

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- _____ 4. To achieve deregulation in the late 1970s and the 1980s, the government often
- eliminated price controls and barriers to entry.
 - gave deregulated companies special patent rights.
 - decided how much a company could charge consumers.
 - bought companies that were threatened with bankruptcy.
- _____ 5.

Top Airlines, 2012–2013

AIRLINE	MARKET SHARE
Delta	16.3%
United	15.6%
Southwest	15.4%
American	12.8%
US Airways	8.5%
JetBlue	5.2%
Other	26.7%

Source: Bureau of Transportation Statistics

According to the table, which of the following BEST describes the structure of the airline industry?

- perfect competition
- monopoly
- perfect cartel
- oligopoly

Short Answer

6. *5 points. 3 to 4 sentences minimum.*

Make Generalizations Is the purpose of advertising to produce informed buyers? Explain.

7. *10 points. 5 to 6 sentences minimum.*

Support Ideas with Evidence By the early 1880s, the Standard Oil Trust controlled more than 90 percent of the oil refining business in the United States. Was Standard Oil a natural monopoly? Why or why not?