

# Economic Fundamentals questions

## Part III

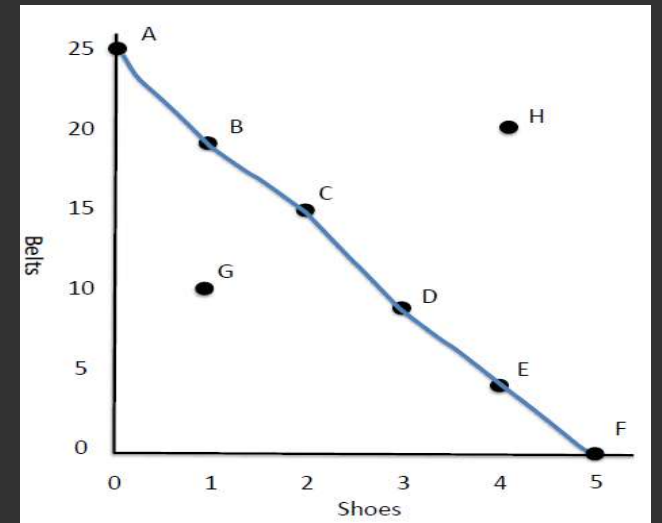
# Question

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

Supply and Demand Schedule

Scenario	Shoes	Belts
A	0	25
B	1	19
C	2	15
D	3	9
E	4	4
F	5	0

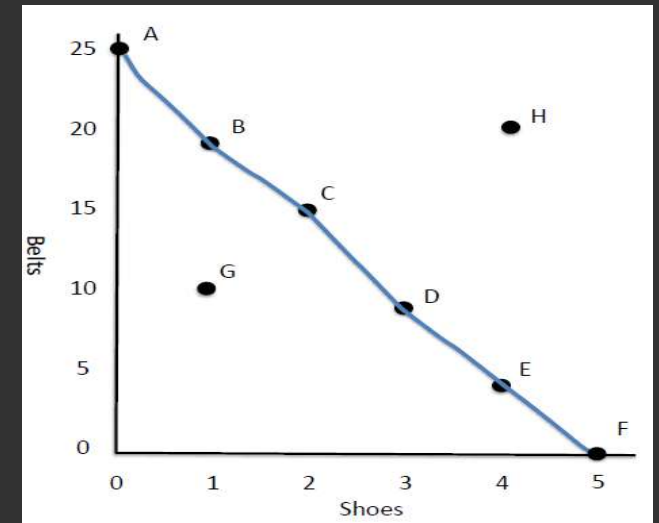


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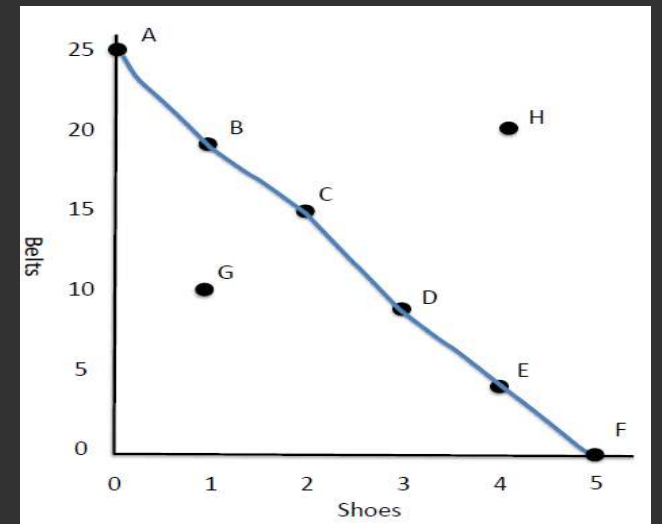


Operating in situation E, what is the marginal benefit of moving to situation D?

- a. 5 pair of shoes
- b. 5 belts
- c. 4 belts
- d. 1 pair of shoes

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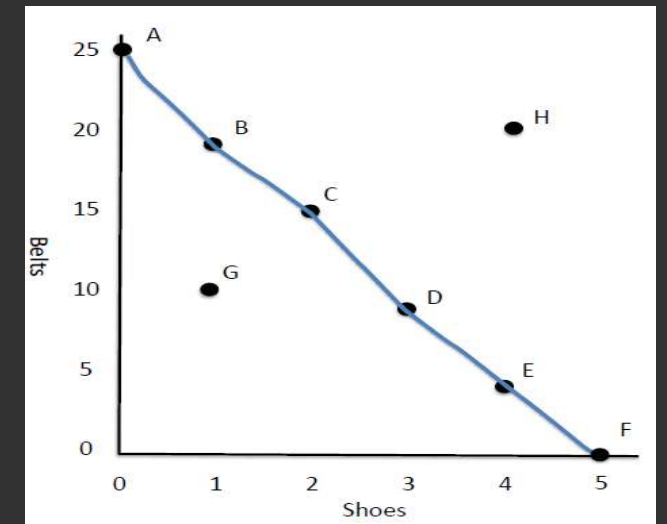


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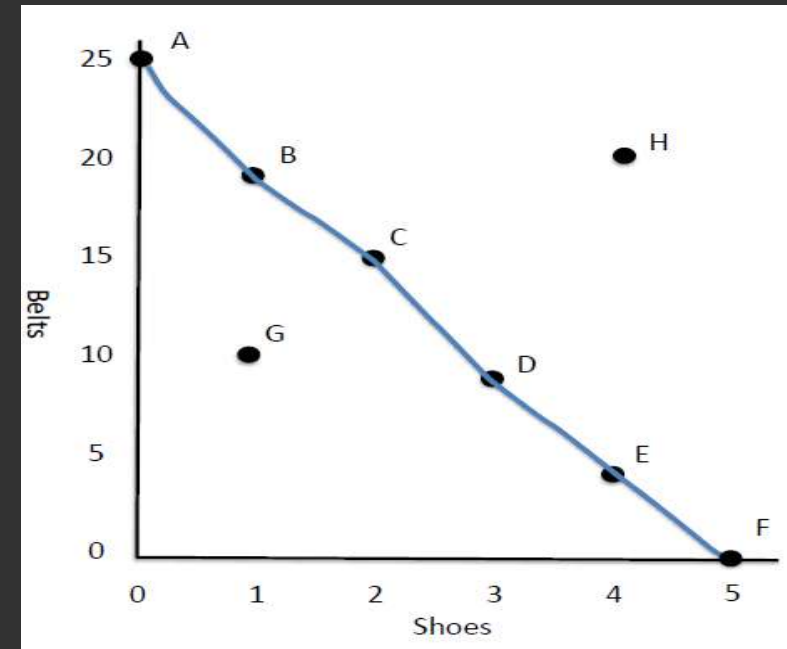
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In what condition would the factory be operating at the capacity depicted by Example G?

- Not possible.  
Beyond the capability.
- Inefficient operations
- Maximum capacity
- Opportunity cost

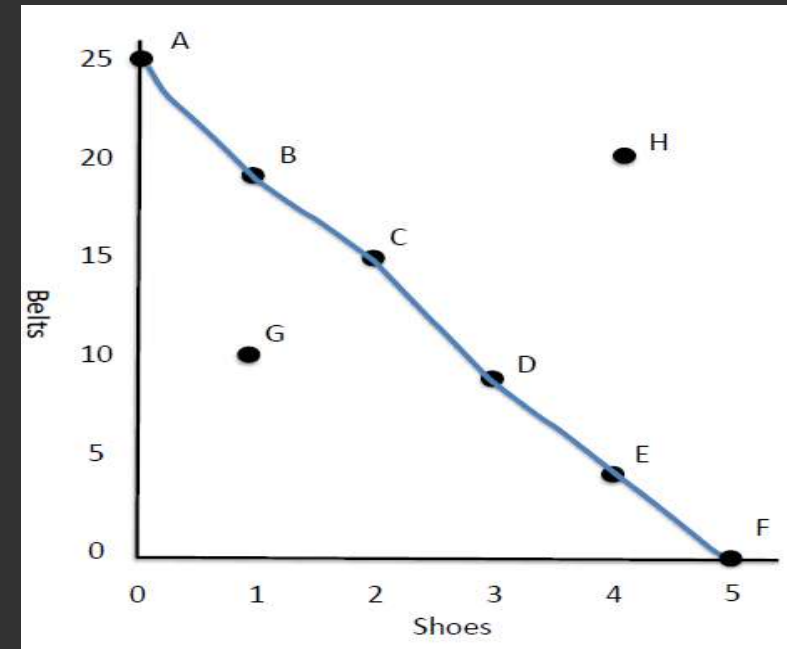


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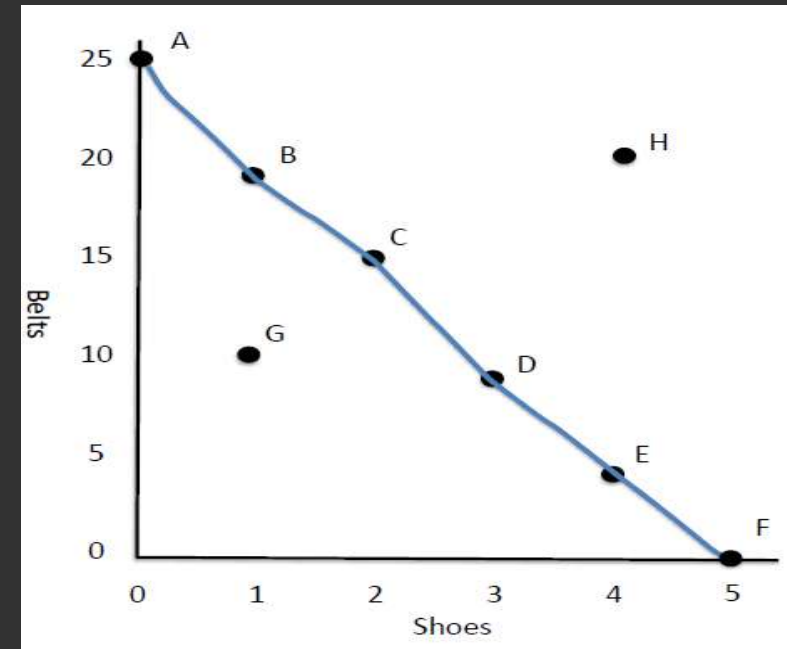


Supply and Demand Schedule

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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



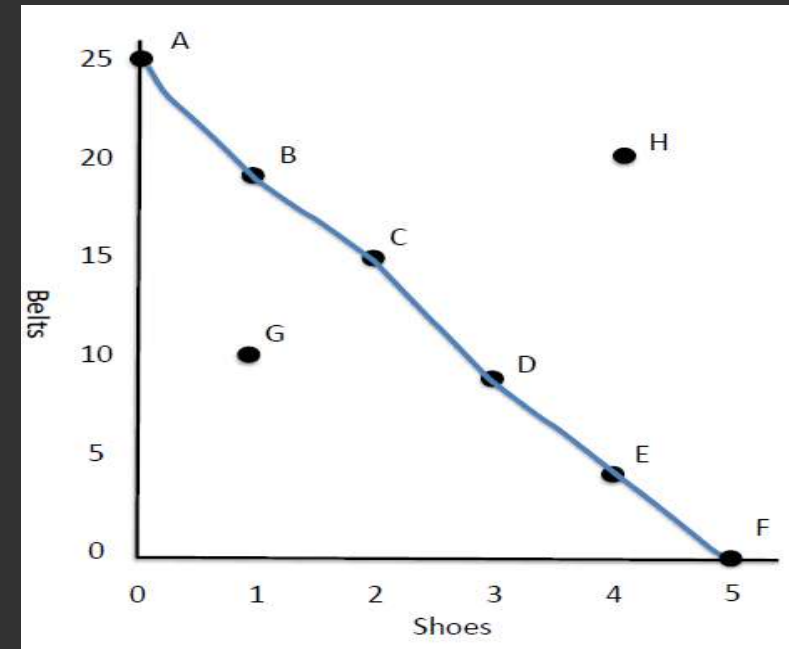
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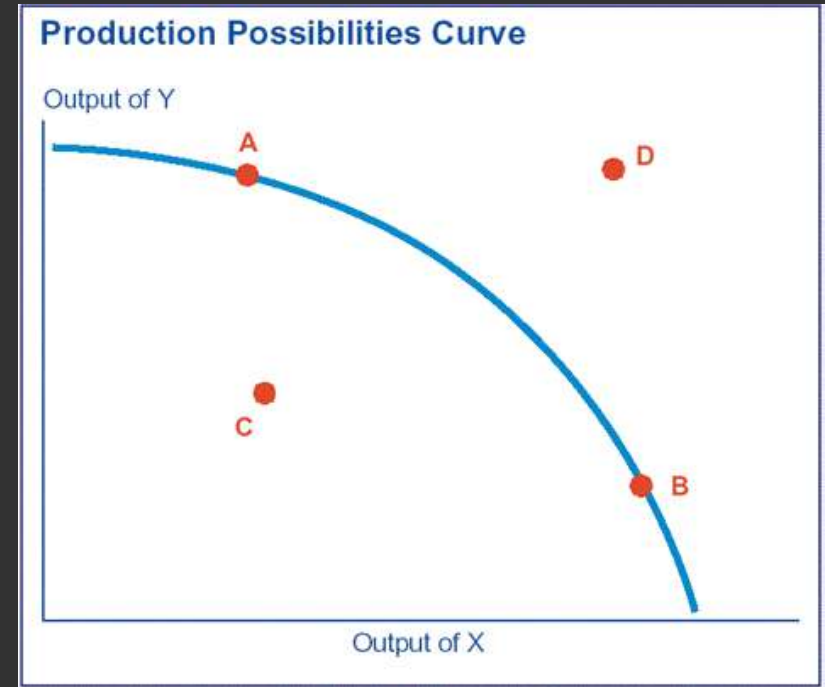
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# Question

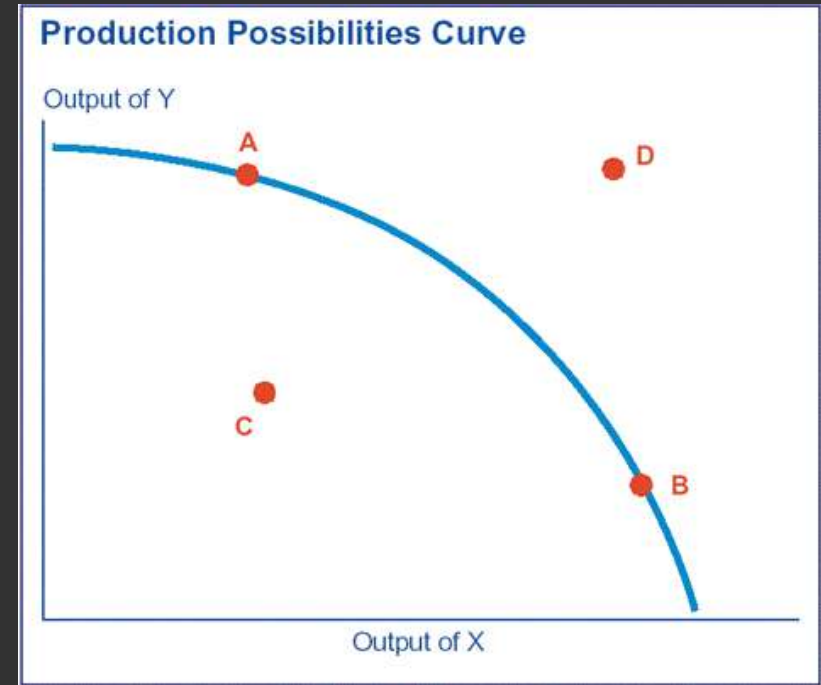
If the output of Y was greatly reduced, which point on the curve would BEST represent the likely result?

- Point A
- Point B
- Point C
- Point D



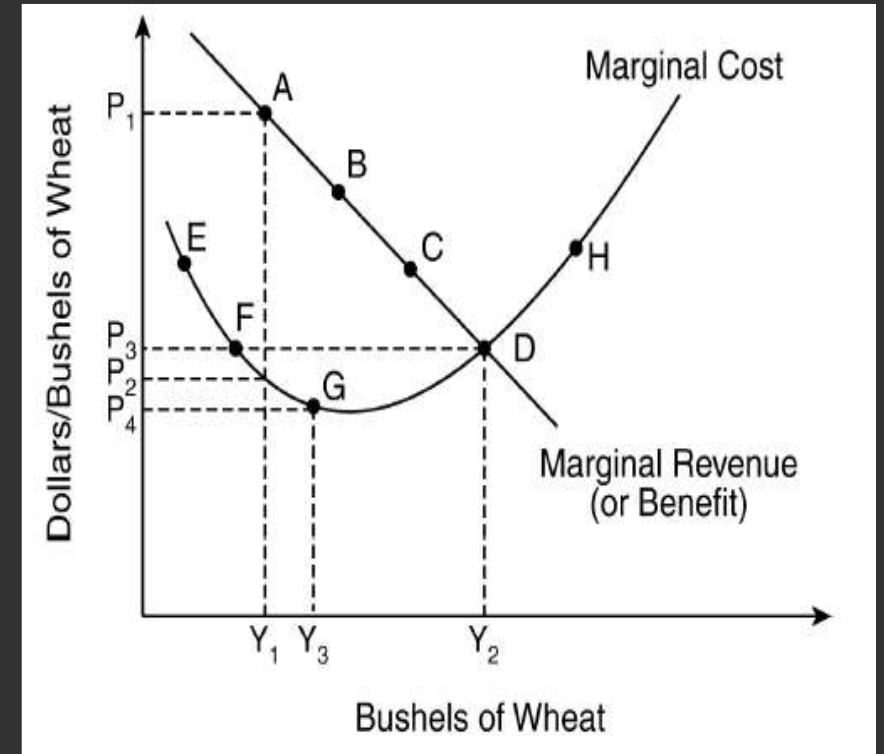
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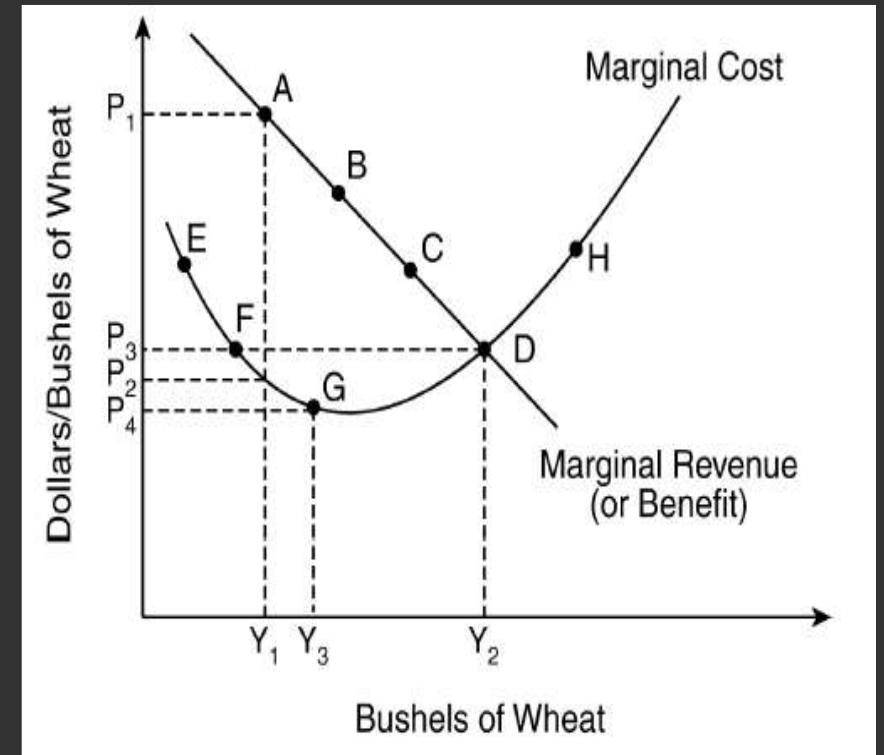
In the graph, the ideal price and level of output for this farm is:

- a. P1 and Y1
- b. P3 and Y2
- c. P4 and Y3
- d. P3 and Y1



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**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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- 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
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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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- b. Market
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- a. Requiring men to register for selective service.
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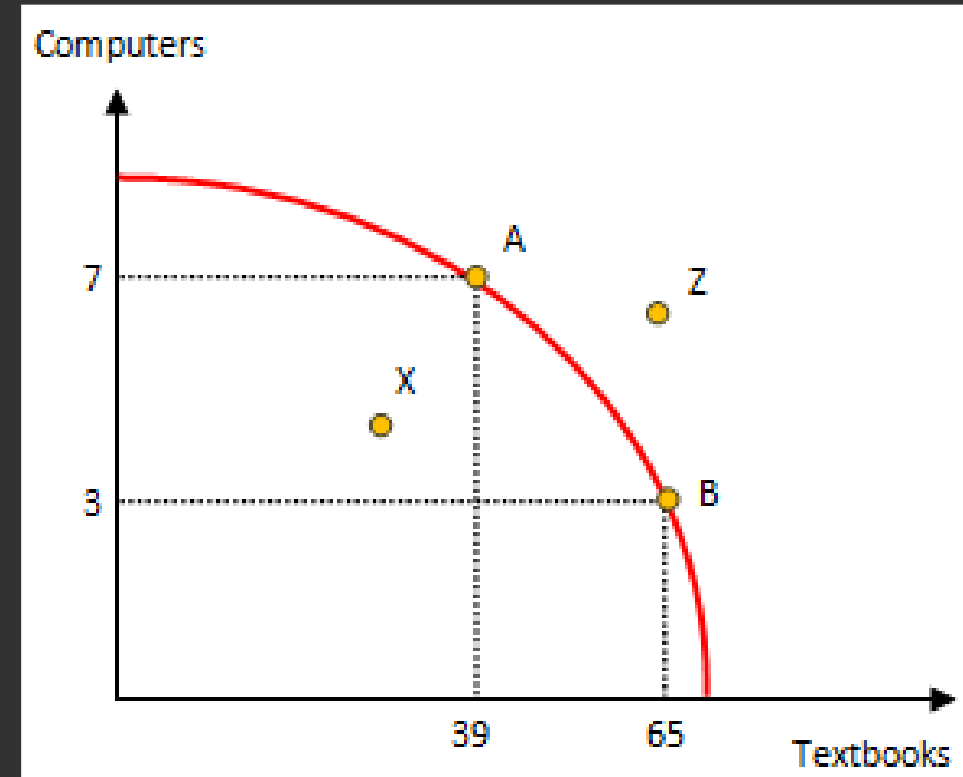
- a. the future.
- b. human capital.
- c. capital goods.
- d. entrepreneurship.

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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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