

ECO 365 Week 1 Knowledge Check - 100% **Correct**

Check this A+ tutorial guideline at

<http://www.assignmentcloud.com/uop-eco-365-new/eco-365-week-1-knowledge-check>

1. Price elasticity of demand is the

- A. change in the quantity of a good demanded divided by the change in the price of that good**
- B. change in the price of a good divided by the change in the quantity of the good demanded**
- C. percentage change in price of that good divided by the percentage change in the quantity of that good demanded**
- D. percentage change in quantity of a good demanded divided by the percentage change in the price of that good**

2. In general, the greater the elasticity, the

- A. smaller the responsiveness of price to changes in quantity**

B. smaller the responsiveness of quantity to changes in price

C. larger the responsiveness of price to changes in quantity

D. larger the responsiveness of quantity to changes in price

3. The price elasticity of supply is the

A. change in the quantity supplied divided by the change in price

B. percentage change in the quantity supplied divided by the percentage change in price

C. change in price divided by the change in the quantity supplied

D. percentage change in the price divided by the percentage change in the quantity supplied

4. The distinction between demand and the quantity demanded is best made by saying that

A. demand is represented graphically by a curve and quantity demanded as a point on that curve

B. the quantity demanded is represented graphically by a curve and demand as a point on that curve

C. the quantity demanded is in a direct relation with prices, whereas demand is in an inverse relation

D. the quantity demanded is in an inverse relation with prices, whereas demand is in direct relation

5. The U.S. Postal Service printed 150,000 sheets of stamps depicting Bill Pickett, but recalled them when the USPS realized the image on the stamp was Bill's brother, Ben, instead. They were unable to recall 183 sheets that had already been sold. The effect of this recall was to

A. drastically reduce the demand for the stamps, causing their equilibrium price to fall

B. have no effect on either supply or demand for the Bill Pickett stamps because there is no market for them

C. drastically reduce the supply of the Bill Pickett stamps, causing their equilibrium price to rise

D. increase the supply of the Bill Pickett stamps, causing their equilibrium price to fall.

6. Given that diesel cars get much better gas mileage than the typical car, an increase in the price of gasoline would be expected to

A. increase the demand for diesel cars.

B. decrease the demand for gasoline.

C. decrease the demand for diesel cars.

D. increase the demand for gasoline.

7.

Mike

Janet

Price	Quantity	Quantity
Per peck	in pecks	in pecks
\$1	22	6
\$2	18	3
\$3	14	0
\$4	10	0
\$5	6	0

Refer to the table that presents Mike and Janet's demand for apples by the peck. If they are the only two in the market, which of the following represents the point on the market demand curve?

- A. Price = \$1, quantity = 18**
- B. Price = \$2, quantity = 21**
- C. Price = \$4, quantity = 0**
- D. Price = \$4, quantity = 21**

8. Economics is the study of how

- A. governments allocate resources in the face of constraints.**
- B. government policies can be used to meet individuals' wants and desires.**
- C. human beings coordinate their wants and desires.**

D. scarce resources are allocated to their most productive uses.

9. To engage in economic reasoning, one must compare

A. total cost and total benefit.

B. marginal cost, sunk cost, and total benefit.

C. sunk cost and marginal cost.

D. marginal cost and marginal benefit.

10. Countries such as Brazil, India, and Moldova--well-known sources of donors--have banned buying and selling organs. This legal action comes at the risk of driving trade underground. What idea does this story best illustrate?

A. Marginal revenue should equal marginal cost.

B. Economic forces always operate despite legal forces.

C. Legal and social forces can eliminate economic forces.

D. The invisible hand is not always invisible.

11. The law of demand states that the quantity demanded of a good is inversely related to the price of that good. Therefore, as the price of a good goes

A. up, the quantity demanded also goes up

B. down, the quantity demanded goes down

C. up, the quantity demanded goes down

D. down, the quantity demanded stays the same

For more classes visit

<http://www.assignmentcloud.com>