

**MULTIPLE CHOICE, TEST QUESTIONS**

**Question 1**

**(8 points)**

**For Test Questions 1-8, we have provided four possible answers, but only one of these is correct. The other answers are either partially correct or completely wrong. Select the letter corresponding to the correct answer and write it into the table found after the statement.**

**1. Which of the following is not a material good:**

- a) bicycle.
- b) ski.
- c) chocolate.
- d) gas fitting works.

Letter of the correct answer:

**2. Of the following, ..... is a basic necessity:**

- a) the need for advancement and further training
- b) the need for clothing
- c) the need for travel
- d) the need for theatre

Letter of the correct answer:

**3. According to the law of demand**

- a) the quantity in demand decreases when market price increases.
- b) the quantity in demand increases when market price increases.
- c) the quantity in demand decreases when market price decreases.
- d) None of the above solutions are correct.

Letter of the correct answer:

**4. Which of the following is not part of the macro-environment of a company:**

- a) natural environment.
- b) technological environment.
- c) social environment.
- d) market environment.

Letter of the correct answer:

**5. The characteristic of a pure monopoly market is that**

- a) the number of sellers is low, only 3-6 companies.
- b) sellers determine prices together.
- c) there is one large seller and several small buyers in the market.
- d) price is an external feature.

Letter of the correct answer:

**6. Average variable cost**

- a) is always greater than economic profit.
- b) can be calculated as the quotient of total variable cost and the quantity produced.
- c) is always greater than average cost.
- d) value does not change if production increases.

Letter of the correct answer:

**7. The value of average fixed cost**

- a) increases in line with the increase in production.
- b) decreases in line with the increase in production.
- c) does not react to an increase in production.
- d) increases in proportion to the increase in production, and then decreases.

Letter of the correct answer:

**8. The gross investment of a given country for a given year can be calculated as:**

- a) expansion investment + replacement investment.
- b) the difference of expansion investment and replacement investment.
- c) the difference of net investment and depreciation.
- d) None of the above solutions are correct.

Letter of the correct answer:

**Question 2**

**(8 points)**

**Decide whether the statements below are true or false. Circle the appropriate word.**

1. NNDI is the value of production tools produced in a given economy in one year.

TRUE FALSE

2. Accounting cost can be calculated as the difference between income and accounting profit.

TRUE FALSE

3. Depreciation can be classified under non-eligible implicit costs.

TRUE FALSE

4. Variable costs increase along with the increase in revenues.

TRUE FALSE

5. If the prices of a product increase, the company producing the product typically increases production.

TRUE FALSE

6. Economic profit is net income that can be attained by anyone in the given industry with ordinary, reasonable investment.

TRUE FALSE

7. Costs that change if the price of the product drops are called variable costs.

TRUE FALSE

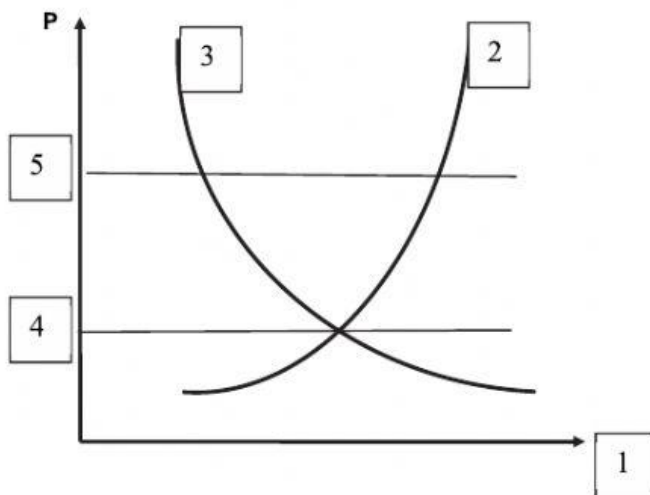
8. Consumer decision is not influenced by the product's price.

TRUE FALSE

**Question 3**

**(5 points)**

The diagram below shows the Marshallian cross of blueberries. The various sections of the diagram are marked with numbers.



Write the terms corresponding to the various numbers into the table. Select from the following terms: quantity, price, demand function, supply function, equilibrium price, price causing excess demand, price causing oversupply. (We have provided more terms than what you will need.)

<i>Number</i>	<i>Term</i>
1	
2	
3	
4	
5	