

Default for ECO231

The default category for questions shared in context 'ECO231'.

Fill in the Blank (FBQs)

FBQ1

Each firm is a price _____ in a perfectly competitive resource market

Taker

1.0000000

FBQ2

Each firm in a perfectly competitive market faces a resource supply curve that is perfectly _____ at the equilibrium resource price

Elastic

1.0000000

0.0000000

FBQ3

The marginal factor cost curve in a perfectly competitive market is _____ at the market price of the resource

Horizontal

1.0000000

0.0000000

FBQ4

A firm in the labour market is in equilibrium when Marginal _____ productivity curve of labour cuts the marginal factor cost curve from above

Revenue

1.0000000

0.0000000

FBQ5

_____ is a market situation in which there is only one buyer of the factors of production

Monopsony

1.0000000

0.0000000

FBQ6

_____ of factor refers to a situation in which it is employed at a price that is less than its marginal productivity

Exploitation

1.0000000

0.0000000

FBQ7

Price of a factor of production under imperfect competition will be less than _____ revenue productivity

Marginal

1.0000000

0.0000000

FBQ8

In _____ factor market, firms can influence the price

Imperfect

1.0000000

0.0000000

FBQ9

The marginal productivity theory of income distribution states that under perfect competition, factor tends to receive a real rate of return which was exactly just equal to their marginal _____

Productivity

1.0000000

0.0000000

FBQ10

The marginal productivity theory of distribution determines the _____ of factors of production

Prices

1.0000000

0.0000000

FBQ11

When Marginal Physical Product is multiplied by price, it is called _____ of marginal product

Value

1.0000000

0.0000000

FBQ12

_____ revenue product is the addition made to total revenue by employing an additional unit of a factor

Marginal

1.0000000

0.0000000

FBQ13

Under perfect competition, a firm employs various units of a factor up to that point

where the price paid to the factor is equal to its marginal _____

Productivity

1.0000000

0.0000000

FBQ14

Marginal productivity theory assumes that productivity of a factor is _____ in all its uses

Equal

1.0000000

0.0000000

0.0000000

FBQ15

The marginal productivity theory has how many assumptions?

7

1.0000000

Seven

1.0000000

FBQ16

Demand for factors of production is a _____ demand

Derived

1.0000000

0.0000000

FBQ17

How much a factor of production will be demanded in the market depends upon on how many parameters?

2

1.0000000

Two

1.0000000

FBQ18

By _____ of demand for factors is refers to the degree of responsiveness of demand for the various factors to changes in their prices.

Elasticity

1.0000000

0.0000000

FBQ19

If the price of a factor of production forms a very small proportion in the total costs of a product, then its demand will be _____

Inelastic

1.0000000

0.0000000

FBQ20

If cost forms a greater proportion of the total cost, then its demand will be _____

Elastic

1.0000000

0.0000000

FBQ21

If the demand for a commodity is fairly elastic, then the demand for factors which go to make the product will be _____

Elastic

1.0000000

0.0000000

FBQ22

If a factor of production is easily substitutable in the market, then its demand will be fairly _____

Elastic

1.0000000

0.0000000

FBQ23

If we add up laterally individual demand curves of all the firms, we get _____ demand curve for a factor

Market

1.0000000

0.0000000

FBQ24

The supply of a factor to an industry depends upon the _____ earnings of the various units of factor

Transfer

1.0000000

0.0000000

FBQ25

One characteristic of factors of production is that they do not bear direct relation between the prices of services offered by the factors of production and their _____ of production

Cost

1.0000000

0.0000000

FBQ26

The supply of factors of production is very _____ because each factor presents a peculiar problem of its own

Complicated

1.0000000

0.0000000

FBQ27

The supply curve of a factor of production is _____ inclined

Positively

1.0000000

0.0000000

FBQ28

The theory of factor pricing assumes that all the unit of a factor is _____ but in the real life, they are different from each other.

Homogenous

1.0000000

0.0000000

FBQ29

The expenditure incurred on employing of the factor of production is called _____ of the factor

Cost

1.0000000

0.0000000

FBQ30

If every unit of the factor is available at the same _____ average cost of the factor and marginal cost of the factor is the same

Price

1.0000000

0.0000000

FBQ31

_____ productivity prefers to extra unit of output or product as a result of the employment of an extra unit of labour while keeping the application of other factors fixed

Marginal

1.0000000

0.0000000

FBQ32

_____ productivity refers to per unit productivity of a variable factor

Average

1.0000000

0.0000000

FBQ33

In Stackelberg's model of _____, the players of this game are a leader and a follower and they compete on quantity

Duopoly

1.0000000

0.0000000

FBQ34

The Stackelberg leader is sometimes referred to as the _____ leader

Market

1.0000000

0.0000000

FBQ35

Firms may engage in Stackelberg competition if one has some sort of _____ enabling it to move first

Advantage

1.0000000

0.0000000

FBQ36

If one firm in an oligopoly reduces its prices, then all of the other firms in the oligopoly will _____ theirs

Reduce

1.0000000

0.0000000

FBQ37

A firm in an oligopoly market will have a _____ demand curve

Kinked

1.0000000

0.0000000

FBQ38

The _____ model is essentially the Cournot-Nash model except the strategic

variable is price rather than quantity.

Bertrand

1.0000000

0.0000000

FBQ39

The _____ Nash model is the simplest oligopoly model

Cournot

1.0000000

0.0000000

FBQ40

Price leadership is sometimes called _____ collusion

Tacit

1.0000000

0.0000000

FBQ41

In some markets, there is a single model that controls a share of the market and a group of smaller firms _____

Dominant

1.0000000

0.0000000

FBQ42

_____ Collusion results when two or more firms reach a formal agreement.

Explicit

1.0000000

0.0000000

FBQ43

_____ collusion results when two or more firms informally control the market with necessarily reaching a formal agreement

Implicit

1.0000000

0.0000000

FBQ44

Because oligopoly has a small number of firms, the incentive to cooperate through _____ is quite high

Mergers

1.0000000

0.0000000

FBQ45

_____ means that oligopolistic firms perpetually balance the need for competition against the benefits of cooperation

Interdependence

1.0000000

0.0000000

FBQ46

_____ among interdependent oligopoly firms is comparable to a game or an athletic contest

Competition

1.0000000

0.0000000

FBQ47

An _____ is where there are a few sellers with similar or identical products

Oligopoly

1.0000000

0.0000000

FBQ48

A _____ competitive market has characteristics of both perfect competitive and monopoly

Monopolistic

1.0000000

0.0000000

FBQ49

_____ power means that the firm has control over the terms and conditions of exchange

Market

1.0000000

0.0000000

FBQ50

In a monopoly industry, _____ profits could persist indefinitely due to the existence of barriers to entry

Economic

1.0000000

0.0000000

Multiple Choice Questions (MCQs)

MCQ1

____behaviour also expect that a consumer should not spend too much money by buying tons of items and stockpiling them for the future, or starve themselves by buying no food at all

Rational

1.0000000

Decisive

0.0000000

Gullible

0.0000000

Consistent

0.0000000

MCQ2

The basis of consumer behaviour is underlined by the thinking referred to as ____

law of marginal utility

0.0000000

law of diminishing marginal equity

0.0000000

law of diminishing marginal utility

1.0000000

Equi-marginal principle

0.0000000

MCQ3

____ connotes the expression, 'more is always better than less'.

Transitivity

0.0000000

Consistency

0.0000000

Decisiveness

0.0000000

Non-satiation

1.0000000

MCQ4

___ is based on the notion that as a consumer consumes more and more of a particular good, the additional utility obtained decreases

Decisiveness

0.0000000

Consistency

0.0000000

Transitivity

0.0000000

Convexity

1.0000000

MCQ5

The consumer preferences include the following EXCEPT

Rationality

1.0000000

Consistency

0.0000000

Decisiveness

0.0000000

Non Satiation

0.0000000

MCQ6

___ is defined as the level of happiness or satisfaction connected with alternative choices

Value

0.0000000

Opportunity Cost

0.0000000

Utility

1.0000000

None of the Options

0.0000000

MCQ7

A consumer ___ utility if the utility received is greater than or equal to the naira spent.

Maximizes

1.0000000

Minimizes

0.0000000

Moderates

0.0000000

Maintains

0.0000000

MCQ8

A consumer maximizes utility when the ____ is tangent to the highest attainable indifference curve.

Utility

0.0000000

Budget line

1.0000000

Marginal utility

0.0000000

Total utility

0.0000000

MCQ9

The ____ associated with a good is the level of happiness derived from consuming the good.

Total utility

1.0000000

Average utility

0.0000000

Marginal utility

0.0000000

None of the Options

0.0000000

MCQ10

____ means an additional or incremental utility

Total utility

0.0000000

Average utility

0.0000000

Marginal utility

1.0000000

None of the Options

0.0000000

MCQ11

___ is the difference between total utility derived from one level of consumption and total utility derived from another level of consumption

Marginal utility

1.0000000

Average utility

0.0000000

Equi-marginal utility

0.0000000

None of the Options

0.0000000

MCQ12

When $MUA/PA = MUB/PB = \dots = MUZ/PZ$, for all commodities (A-Z) is called ___

equimarginal average

0.0000000

equimarginal product

0.0000000

equimarginal principle

1.0000000

equimarginal utility

0.0000000

MCQ13

There is a possibility that an inferior good may have an upward sloping demand curve if the ___ is larger in magnitude than the substitution effect

price effect

0.0000000

input effect

0.0000000
output effect

0.0000000
income effect

1.0000000
MCQ14

___ is a graph of all combinations of goods that provide a given level of utility.

Indifference equation

0.0000000
Indifference curve

1.0000000
Indifference map

0.0000000
None of the Options

0.0000000
MCQ15
The slope of indifference curve is known as the ___

marginal rate of utility

0.0000000
marginal rate of technical substitution

0.0000000
marginal rate of substitution

1.0000000
marginal indifference curve

0.0000000
MCQ16
Perfect substitutes have ___ indifference curves

straight-line

1.0000000
Concave

0.0000000
Convex

0.0000000
Semi-convex

0.0000000
MCQ17
The ____ is used to explain the distinction between substitution and income effects of a price change

welfare theory

0.0000000
product theory

0.0000000
monetary theory

0.0000000
indifference theory

1.0000000
MCQ18
____ proposed the value in use and value in exchange

John Maynard Keynes

0.0000000
Adam Smith

1.0000000
Alfred Marshal

0.0000000
Karl Marx

0.0000000
MCQ19
The ____ say that income is equal to the sum of consumer expenditure

Cobb Douglas function

0.0000000
Price function

0.0000000
Utility function

0.0000000
budget constraint

1.0000000

MCQ20

A ____ is the price of one good in terms of another.

absolute price

0.0000000

absolute price

0.0000000

relative price

1.0000000

real price

0.0000000

MCQ21

The ____ received by this consumer is the difference between the total benefit and total cost..

consumer ratio

0.0000000

consumer profit

0.0000000

consumer overdraft

0.0000000

consumer surplus

1.0000000

MCQ22

____ is best defined as the structural/organizational and other characteristics of a market

Market structure

1.0000000

Market Parlance

0.0000000

Perfect Market

0.0000000

Imperfect Market

0.0000000

MCQ23

____ is characterized by many buyers and sellers, many products that are similar in

nature and, as a result, many substitutes

monopolistic competition

0.0000000

Semi-perfect competition

0.0000000

Perfect competition

1.0000000

Imperfect competition

0.0000000

MCQ24

Price x Quantity/Quantity = ____

Revenue

0.0000000

Total Revenue

0.0000000

Marginal revenue

0.0000000

None of the Options

1.0000000

MCQ25

Revenue earned by a firm per unit of output is called ____

gross revenue

0.0000000

total revenue

0.0000000

marginal revenue

0.0000000

average revenue

1.0000000

MCQ26

Revenue earned by selling additional unit of output is called as ____

gross revenue

0.0000000
total revenue

0.0000000
marginal revenue

1.0000000
average revenue

0.0000000
MCQ27
Each firm faces a demand curve for its product that is ____ at the market price.

perfectly elastic

1.0000000
perfectly inelastic

0.0000000
fairly elastic

0.0000000
fairly inelastic

0.0000000
MCQ28
The demand curve facing perfectly competitive firm is characterized by the following multiple equality: ____

$P=D=MR=MC$

0.0000000
 $P=D=TR=MR$

0.0000000
 $P=D=AR=MR$

1.0000000
 $P=D=AR=TR$

0.0000000
MCQ29
What is the average revenue for a firm which is selling 35 units of commodity X and getting the total revenue of N3000?

82.73

0.0000000
83.70

0.0000000
84.72

0.0000000
85.71

1.0000000
MCQ30

By selling 30 units, firm JKB make N300. After selling the 31st unit, firm's revenue increased to 318. What is the marginal revenue in this situation?

17.5

0.0000000
18

1.0000000
18.5

0.0000000
17

0.0000000
MCQ31

Profit is maximized when marginal revenue equals marginal cost and marginal cost is

—

Zero

0.0000000
Rising

1.0000000
Falling

0.0000000
Constant

0.0000000
MCQ32

— equals the market price for a firm facing a perfectly elastic demand curve.

Marginal revenue

1.0000000
Total revenue

0.0000000

Average revenue

0.0000000

None of the Options

0.0000000

MCQ33

A firm's profit per unit of output equals ____

revenue - total cost

1.0000000

revenue - total fixed cost

0.0000000

revenue - total variable cost

0.0000000

None of the Options

0.0000000

MCQ34

In mathematical terms, this means that the firm will stay in business as long as ____

$TR = P \times Q < VC$

0.0000000

$TR = P \times Q > VC$

1.0000000

$TR = P \times Q = VC$

0.0000000

None of the Options

0.0000000

MCQ35

The firm will shut down if the ____

price is equal to average cost

0.0000000

price is equal to average variable cost

0.0000000

price is greater than average variable cost

0.0000000

price is less than average variable cost

1.0000000

MCQ36

If the market price is just equal to the minimum point on the ATC curve, the firm will receive a level of economic profits equal to ____

Zero

1.0000000

One

0.0000000

Unitary

0.0000000

Infinity

0.0000000

MCQ37

In general, a perfectly competitive firm's short-run supply curve is the portion of its marginal cost curve that ____ the AVC curve.

lies below

0.0000000

lies above

1.0000000

Is equal

0.0000000

None of the Options

0.0000000

MCQ38

This long-run equilibrium condition has ____ desirable efficiency properties

Two

1.0000000

Three

0.0000000

Four

0.0000000

None of the Options

0.0000000

MCQ39

Production at ____ means that society is producing each good at the lowest possible cost per unit.

minimum marginal cost

0.0000000

minimum average variable cost

0.0000000

minimum total cost

0.0000000

minimum average cost

1.0000000

MCQ40

$P = MC$, and $P = \text{minimum ATC}$ ____ occurs

Economic Growth

0.0000000

Economic Development

0.0000000

Economic efficiency

1.0000000

Economic Paradox

0.0000000

MCQ41

____ is equal to the net benefit that consumers receive from the consumption of a good

consumer surplus

1.0000000

consumer benefit

0.0000000

consumer sovereignty

0.0000000

None of the Options

0.0000000

MCQ42

A ____ is a single producer of a product, which does not have close substitute

Perfect competitor

0.0000000
oligopoly

0.0000000
monopsony

0.0000000
None of the Options

1.0000000
MCQ43

The following are major types of barriers to entry encountered by a monopolists except

economic

0.0000000
legal

0.0000000
deliberate

0.0000000
social

1.0000000
MCQ44

The demand curve facing a monopoly firm is ____

Downward sloping

1.0000000
Upward sloping

0.0000000
Perfectly elastic

0.0000000
Perfectly inelastic

0.0000000

MCQ45

A profit- maximizing monopolist must take its ____ and its ____ into account in determining how much output to produce.

Price, cost

0.0000000

Costs, revenue

1.0000000

Quantity, price

0.0000000

Revenue, price

0.0000000

MCQ46

A monopoly firm will shutdown in the short run if the price falls below ____

TFC

0.0000000

TVC

0.0000000

AFC

0.0000000

AVC

1.0000000

MCQ47

As in all other market structures, the monopolist is constrained by the ____ for its product

Demand

1.0000000

Price

0.0000000

Supply

0.0000000

None of the Options

0.0000000

MCQ48

If a monopoly firm wishes to maximizes its profit, it must select the level of output at which ____.

AC = AR

0.0000000

TC = TR

0.0000000

AVC = AFC

0.0000000

None of the Options

1.0000000

MCQ49

___ is a pricing strategy that enables monopolist to charge customers different prices for the same or service.

Price Discrimination

1.0000000

Monopoly Pricing

0.0000000

Monopoly Power

0.0000000

Monopoly Franchising

0.0000000

MCQ50

In ___ the seller will charge each customer the maximum price that he or she is willing to pay

pure monopoly franchising

0.0000000

pure monopoly pricing

0.0000000

pure price discrimination

1.0000000

pure monopoly power

0.0000000