DH EDU

Road to the Final

교재 문제집

1. Economics is a social science that

① is primarily concerned with money.
② is primarily concerend with how resources are used.
③ relies solely on the scientific method for analysis.
④ is primarily concerened with maximizing spiritual well-being.
⑤ is purely normative.

2. Which of the following statements is false?

① Economics is a social science.
② Economics is a way of thinking.
③ Microeconomics deals with small-scale issues.
④ Macroeconomics studies the working of the economy as a whole.
⑤ Microeconomics explains topics like trade policies, exchange rates.

3. The normative economics:

① only focuses on what exists and why it exists.
② is limited to the explanation of economic situations.
③ might suggest a way to alleviate economic problems.
④ both ① and ③
⑤ both ② and ③

4. The primary focus of microeconomics is:

① families and how they make money.
② firms and how they make profits.
③ individual units within the overall economy.
④ government.
⑤ small countries.

5. The study of economics is correctly defined as:

① the methods used to satisfy our limited material wants with unlimited productive resources.
② how best to predict the fluctuations in the stock market.
③ how best to satisfy our unlimited wants with limited and scarce resources.
④ the methods used to disseminate limited resources among a population's scarce material wants.
⑤ the study of the interaction and allocation of limited resources and market structures

6. The term scarcity is associated with
① resources that are limited.
② a limited set of resources that must meet a limited set of wants and needs.
③ a limited set of resources that must meet an unlimited set of wants and needs.
④ rich countries hoarding resources so they can satisfy all of their own wants and needs.
⑤ rich countries sharing resources so that poor countries can meet some of their wants and needs.

7. The opportunity cost of a new public library is the
① result of hiring new workers to staff the library.
② money cost of the construction to build the library.
③ cost of building the library now rather than waiting and building the library in five years.
④ increase in traffic around the new library that results from the public's desire to use the new library.
⑤ other public goods that now cannot be provided to the community because of the resources used for the library.

8. What you give up to pursue another alternative is known as
① capital
② land
③ money cost
④ the price of the product
⑤ opportunity cost

9. The basic economic problem that every economy faces is
① Not enough money
② Technological change
③ Central planning
④ Scarcity of resources
⑤ Inflation

10. Economic efficiency is mainly concerned with
① the limited wants-unlimited resources dilemma
② considerations of equity in the distribution of wealth
③ obtaining the maximum output from available resources
④ creating the greatest societal satisfaction from resources
⑤ the transfer of wealth in an equitable fashion

11. Melissa, who lives in Idaho, needs to get to LA on Friday for a Saturday business meeting. If she travels by plane, it will take her 3 hours. If she travels by train, it will take her 10 hours. A plane ticket costs $100, but train ticket costs only $50.
Melissa makes $10 per hour when she is working and not traveling.
The opportunity cost of the plane is $130. So the opportunity cost of the train is:
① $20　② $50　③ $100
④ $130　⑤ $150

12. "Total cost," for an economist, includes

① explicit and implicit costs, including a normal profit.
② neither implicit nor explicit costs.
③ implicit, but not explicit, costs.
④ explicit, but not implicit, costs.
⑤ explicit and implicit costs, including an economic profit.

13. Mineral deposits, human capital, entrepreneurship, and use of technology and machinery are all examples of

① factors of production.
② superior and inferior goods.
③ elements sometimes needed to move an existing company overseas.
④ public goods.
⑤ material wants and needs.

14. An economic system is characterized as emphasizing private property and competition, and prices inform buyers and sellers how to allocate their resources. This economic system would be known as a

① mixed system
② market system
③ socialist system
④ command system
⑤ barter system

15. Which of the following constitute the fundamental questions every economic system must answer?

Ⅰ. What goods and services will be produced?
Ⅱ. How will they be produced?
Ⅲ. When will they be produced?
Ⅳ. For whom will they be produced?
Ⅴ. Where will they be produced?

① Ⅰ, Ⅲ, and Ⅴ only
② Ⅰ, Ⅱ, and Ⅳ only
③ Ⅰ, Ⅱ, and Ⅴ only
④ Ⅱ, Ⅳ, and Ⅴ only
⑤ Ⅱ, Ⅲ, and Ⅳ only

16. In which of the following ways does the United States government currently intervene in the working of the market economy?

Ⅰ. It produces certain goods and services.
Ⅱ. It regulates the private sector to achieve a more efficient allocation of resources.
Ⅲ. It redistributes income through taxation and public expenditures.

① Ⅰ only
② Ⅱ only
③ Ⅲ only
④ Ⅱ and Ⅲ only
⑤ Ⅰ, Ⅱ, and Ⅲ

17. The allocation of resources in a market economy is described by which of the following statements?

Ⅰ. The government decides which goods will be produced and which consumers will receive them. Ⅱ. Buyers and sellers exchange goods and services on a voluntary basis. Ⅲ. Prices and costs help producers decide whether they are producing too little or too much of a good.

① Ⅰ only
② Ⅱ only
③ Ⅲ only
④ Ⅰ and Ⅲ only
⑤ Ⅱ and Ⅲ only

18. Economists use the term 'capital' to mean

① money
② plant and equipment
③ where the central government is located
④ the center of the economy
⑤ a major idea

19. The opportunity cost of owning a business is equal to which of the following?

Ⅰ. The economic profits earned in the business. Ⅱ. The accounting profits earned in the business. Ⅲ. The profits that could be earned in another business using the same amount of resources.

① Ⅰ only
② Ⅱ only
③ Ⅲ only
④ Ⅰ and Ⅲ only
⑤ Ⅰ, Ⅱ, and Ⅲ

20. Land refers to

① all productive resources
② all natural resources
③ farmland only
④ real estate
⑤ chattels

21. In a command economy

① the market dictates the answers to the fundamental economic questions
② competition helps answer the fundamental economic questions
③ state and local governments respond to the fundamental economic questions
④ the central government dictates the answers to the fundamental economic questions
⑤ laws are set up to answer the fundamental economic questions

22. Which of the following is not an example of an entrepreneurship?

① creativity
② accountant
③ business planning skill
④ willingness to take the risk
⑤ organizing other resources for production

※ [23~24] Read the following situations and identify which economic question the decision is answering.

23. A clothing designer decides baggy jeans are no longer popular and shifts production to tight-fitting jeans.

① Why to produce
② How to produce
③ What to produce
④ When to produce
⑤ For whom to produce

24. The Ford Motor Company develops the assembly line as a means to more efficiently assemble cars.

① Why to produce
② How to produce
③ What to produce
④ When to produce
⑤ For whom to produce

25. Which of the following will cause an inward shift of the production possibilities curve?

① Emigration of skilled workers
② The discovery of a vital natural resource
③ Increased funding for training workers and students
④ The improvement of a society's technological knowledge
⑤ An increase in the birth rate that eventually increases the labor force

26. A point inside the production possibility curve is

① efficient
② inefficient
③ unattainable
④ attainable and efficient
⑤ unattainable but efficient

27. A production possibility curve is bowed outward from the origin because

① utility is maximized
② efficiency is achieved
③ resources are not specialized
④ resources are perfectly interchangeable
⑤ input resources are not equally efficient in producing two alternative goods

28. The fact that we are operating at a point inside the production possibility curve, indicates there is

(a) unemployment.
(b) invention of new technology.
(c) losing of vital natural resources.

① (a) only
② (b) only
③ (c) only
④ (a) and (c) only
⑤ (a), (b), and (c)

29. Production possibilities frontiers are concave to the origin because

① of inefficiencies in the economy
② of opportunity cost
③ of the law of increasing costs
④ of constant opportunity costs
⑤ the extreme points are not as well established

30. When opportunity cost is constant across all production levels, the production possibilities frontier is

① concave to the origin.
② convex to the origin.
③ undefined.
④ shifted.
⑤ a straight diagonal line sloping downward from left to right.

31. The effects of specialization and international trade are likely to include all of the following except

① elimination of discrimination.
② improvement in labor productivity.
③ a more efficient use of resources.
④ availability of a greater quantity of goods and services.
⑤ moving beyond a nation's current production possibility curve.

32. Given the table below, what is the opportunity cost of wheat in France?

country	labor hours needed to produce a unit of:	
	wheat	cloth
France	5	10
England	20	60

① ½ cloth
② ½ wheat
③ 2 cloth
④ 2 wheat
⑤ ¼ cloth

33. Given the table below, which statement is true?

country	labor hours needed to produce a unit of:	
	wheat	cloth
France	5	10
England	20	20

① England has the absolute advantage in both products.
② France should specialize in and export wheat while England should specialize in and export cloth.
③ France has the comparative advantage in cloth.
④ England has the comparative advantage in wheat.
⑤ France has the absolute advantage in wheat while England has the absolute advantage in cloth.

34. Given the following table, the opportunity cost of apples is

apples	oranges
0	20
7	10
14	0

(combinations that can be produced using resources fully and efficiently)

① 10/7 oranges
② 7/10 oranges
③ 10/7 apples
④ 7/10 apples
⑤ 70 percent

35. Given the following table, the opportunity cost of soup is

soup	nut
0	15
1	10
2	5

(Combinations that can be produced using resources fully and efficiently)

① 5 nuts
② 5 soup
③ 20 percent
④ 500 percent
⑤ constant

36. It is beneficial for two countries to trade only when there is

① a mutually beneficial trade agreement
② increasing returns to scale
③ decreasing returns to scale
④ an absolute advantage in production between the two countries
⑤ a comparative advantage in production between the two countries

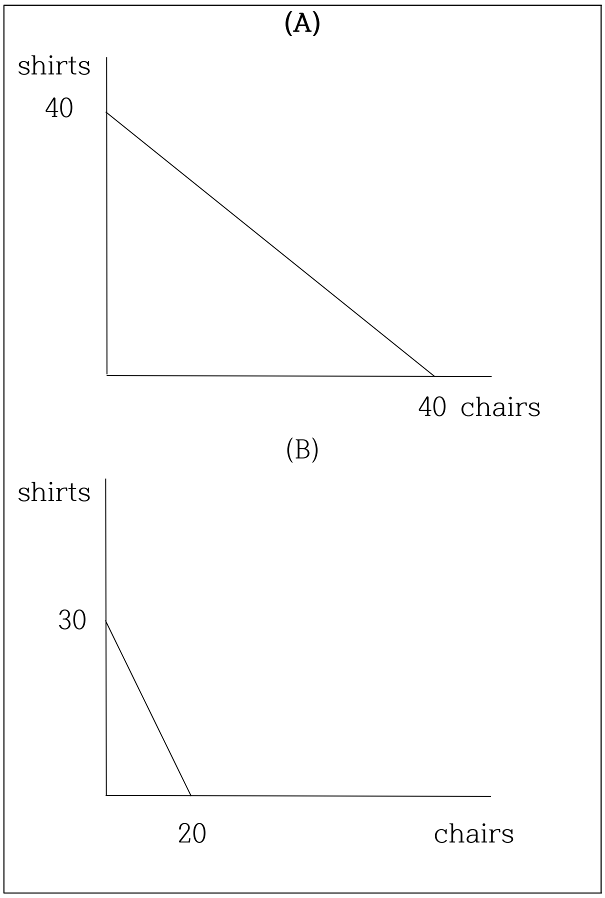
37. Most of choices that people make are not all-or-nothing choices. As a result, economists generally employ

① financial analysis
② marginal analysis
③ graphical analysis
④ laboratory analysis
⑤ average cost curves

38. **If a retail store earns a normal profit this year, this means that its**

① economic profit is equal to its accounting profit
② economic profit is zero
③ economic profit is greater than the average accounting profit in other industries
④ accounting profit is zero
⑤ accounting profit is less than its economic profit

39. **The simplified PPFs for countries A and B appear in the figures above. Both countries have the same resources to work with. Which of the following statements is correct?**



① Country A has a comparative advantage in both goods.
② Country A has a comparative advantage in chairs and Country B has a comparative advantage in shirts.
③ Country B has an absolute advantage in shirts.
④ Country A has a comparative advantage in shirts and Country B has a comparative advantage in chairs.
⑤ Country A has an absolute disadvantage in chairs.

40. **Which of the following events will cause the demand curve for a normal good, such as steak, to shift to the left?**

① A decrease in consumer incomes
② An increase in consumer incomes
③ An increase in the price of chicken, a substitute for steak
④ The release of a new medical report saying that steak consumption improves health
⑤ A decrease in cattle prices

41. **Hamburgers and fries are complements, and Mr. Jones is a potato farmer.**
Mr. Jones is most likely to sell fewer potatoes at a lower price if

① the price of hamburgers decreases
② the price of hamburgers increases
③ farming technology advances
④ the wages of farm workers rise

42. **Which of the following will cause the producers of flavored coffee to offer more for sale at all prices?**

① A fungus attacks the coffee crop
② Coffee bean pickers negotiate an increase in wages
③ The price of coffee flavorings decreases
④ The government takes over coffee farms in one of the most important coffee producing countries
⑤ A study shows that coffee consumption encourages weight loss

43. **What are the effects on the supply and demand curves for Frisbee if a new procedure reduces the cost of making Frisbee?**

	Demand Curve	Supply curve
①	Shifts right	Shifts right
②	No change	Shifts left
③	No change	Shifts right
④	Shifts left	Shifts right
⑤	Shifts right	Shifts left

44. **If the government establishes an effective price floor, then**

① the regulated price will be below the equilibrium price.
② the quantity demanded will be greater than the quantity supplied.
③ the quantity demanded will equal the quantity supplied.
④ the quantity demanded will be less than the quantity supplied.
⑤ there will be a shortage.

45. **If milk sells for $2.50 a gallon, and the government set a price floor of $2.00 on it, the quantity**

① supplied will increase.
② demanded will decrease.
③ supplied will decrease.
④ demanded will increase.
⑤ supplied and demanded will not change.

46. **Which of the following is true about a price ceiling?**

① It is used to correct government policy.
② It is used when equilibrium prices are too low.
③ It will be located above the equilibrium price.
④ It will be located below the equilibrium price.
⑤ It is when the stock market has closed at a new high.

47. If the demand for Good A is price inelastic, a seller of Good A who wants to increase total revenue should

① decrease quantity supplied.
② raise price.
③ target marketing efforts at narrower audiences.
④ increase quantity supplied.
⑤ lower price.

48. Which of the following factors would tend to make demand for a good price elastic?

① Imports decrease.
② The good is a necessity.
③ There are no close substitutes for the good.
④ Consumers have only a short time to respond to price changes.
⑤ The costs of the good is a large proportion of consumers' budgets.

49. If Arianne claims that "price is no object" when it comes to buying handbags, then her demand curve for handbags is likely to be

① horizontal and perfectly elastic
② vertical and perfectly inelastic
③ highly inelastic
④ upward-sloping
⑤ unit elastic

50. If a firm decreases its prices by 15 percent and its total revenue increases by 30 percent, which of the following is correct?

① The price elasticity of demand is unit elastic.
② The price elasticity of demand is inelastic.
③ The price elasticity of demand is elastic.
④ The numerical coefficient of elasticity is equal to one.
⑤ The numerical coefficient of elasticity is less than one.

51. Which of the following answer choices states a true fact?

① An increase in the price of Good A will decrease the demand for complementary Good B.
② A decrease in income will decrease the demand for an inferior good.
③ An increase in income will reduce the demand for a normal good.
④ A decrease in the price of Good C will increase the demand for substitute Good D.
⑤ A decrease in income will decrease the demand for a substitute good.

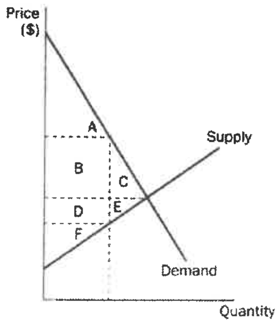
52. A positive sign on cross price elasticity of demand indicates that the two products are

① luxuries
② necessities
③ substitutes
④ complements
⑤ independent

53. Which factor contributes to price elasticity of supply?

① Time
② Inflexibility of sellers
③ Consumer expectations regarding future prices
④ Producer tastes and preferences
⑤ The availability of a producer surplus

54. A tax is levied on Good X, as shown. Which of the following describe the tax as it is shown here?



(I) Consumers bear most of the tax.
(II) Suppliers bear most of the tax.
(III) Consumer surplus has risen from A to ABC.
(IV) Area CE is deadweight loss as a result of the tax.
(V) Producer surplus has fallen from DF to E.

① I, II, and III only
② II and IV only
③ I and IV only
④ III and V only
⑤ I, III, and V only

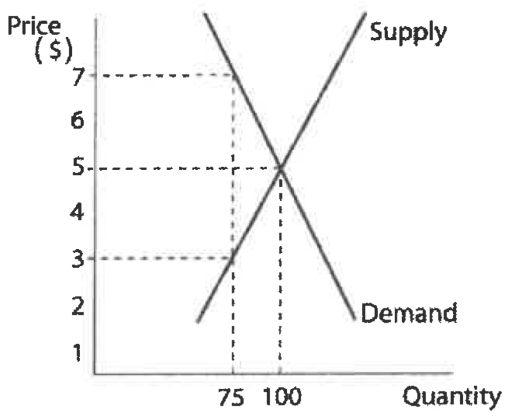
55. A tax imposed on a supplier will more likely be passed on to the consumer in the form of price increase if

① price elasticity of demand is highly elastic.
② price elasticity of demand is highly inelastic.
③ price elasticity of demand is unit elastic.
④ wage elasticity of demand is highly elastic.
⑤ wage elasticity of demand is highly inelastic.

56. Assume that a 3 percent increase in income in the economy produces a 1 percent decline in the quantity demanded of good X. The outcome would be:

	Coefficient of Income Elasticity	Type of Good X
①	negative	inferior good
②	negative	normal good
③	positive	inferior good
④	positive	normal good
⑤	negative	unrelated

<57~59> Use the following graph to answer questions



57. This graph shows the effect of a $4 per unit excise tax. What net price will producers receive if the tax is enacted?

① $3
② $6
③ $7
④ $10
⑤ $16

58. According to the graph, which of the following is true about how the burden of the tax is distributed?

① Consumers bear 75% of the tax burden, while producers bear 25%.
② Consumers bear 100% of the tax burden.
③ Producers bear 100% of the tax burden.
④ Consumers bear 25% of the tax burden, while producers bear 75%.
⑤ Consumers bear 50% of the tax burden, while producers bear 50%.

59. According to the graph, how much tax is generated by this tax?

① $400 million
② $560 million
③ $300 million
④ $240 million
⑤ $600 million

60. The first sport drink yields Craig 18 units of utility and the second yields him an additional 12 units of utility. His total utility from three sport drinks is 36 units of utility. The marginal utility of the third sport drink is

① 26 units of utility
② 6 units of utility
③ 8 units of utility
④ 54 total utility
⑤ 38 total utility

61. If the price of a good is zero, a consumer will

① consume all units that have positive total utility.
② consume an infinite amount of the good.
③ consume all units with positive marginal utility.
④ consume the entire amount supplied.
⑤ consume until total utility reaches zero.

62. According to the principle of diminishing marginal utility,

① total utility declines.
② total utility stays the same.
③ marginal utility stays the same.
④ marginal utility and total utility both decrease.
⑤ marginal utility decreases with each additional unit of a good that is consumed.

63. The total utility from strawberries is maximized when they are purchased until

① marginal utility is zero.
② deadweight loss is zero.
③ consumer surplus is zero.
④ distributive efficiency is achieved.
⑤ marginal benefit equals marginal cost.

<Answers>

1. 2
2. 5
3. 3
4. 3
5. 3
6. 3
7. 5
8. 5
9. 4
10. 3
11. 5
12. 1
13. 1
14. 2
15. 2
16. 5
17. 5
18. 2
19. 3
20. 2
21. 4
22. 2
23. 3
24. 2
25. 1
26. 2
27. 5
28. 1
29. 3
30. 5
31. 1
32. 1
33. 2
34. 1
35. 1
36. 5
37. 2
38. 2
39. 2
40. 1
41. 2
42. 3
43. 3
44. 4
45. 5
46. 4
47. 2
48. 5
49. 2
50. 1
51. 1
52. 3
53. 1
54. 3
55. 2
56. 1
57. 1
58. 5
59. 3
60. 2
61. 3
62. 5
63. 1