Table -4

This table shows a game played between two players, A and B. The payoffs in the table are shown as (Payof[f to A, Payoff to B).

		B	
		Right	*Left*
A	*Up*	(2, 2)	(3, 1)
	Down	(1, 3)	(0, 0)

31.Refer to Table -4. If player A chooses his/her best strategy, player B should

a. choose right and earn a payoff of 2.
b. choose right and earn a payoff of 3.
c. choose left and earn a payoff of 1.
d. choose left and earn a payoff of 0.

32.Refer to Table -4. Which outcome is the Nash equilibrium in this game?

a. Up-Right
b. Up-Left
c. Down-Right
d. Down-Left

c. choose left and earn a payoff of 1.
d. choose left and earn a payoff of 0.

32.Refer to Table -4. Which outcome is the Nash equilibrium in this game?

a. Up-Right
b. Up-Left
c. Down-Right
d. Down-Left

33. Game theory is important for understanding which of the following market types?

a. perfectly competitive and oligopolistic markets
b. perfectly competitive markets but not oligopolistic markets
c. oligopolistic but not perfectly competitive markets
d. neither oligopolistic nor perfectly competitive markets.

30. Which of these assumptions is often realistic for a firm in the short run?

a. The firm can vary both the size of its factory and the number of workers it employs.
b. The firm can vary the size of its factory but not the number of workers it employs.
c. The firm can vary the number of workers it employs but not the size of its factory.
d. The firm can vary neither the size of its factory nor the number of workers it employs.

Table -4

This table shows a game played between two players, A and B. The payoffs in the table are shown as (Payoff to A, Payoff to B).

		B	
		Right	*Left*
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a. choose right and earn a payoff of 2.
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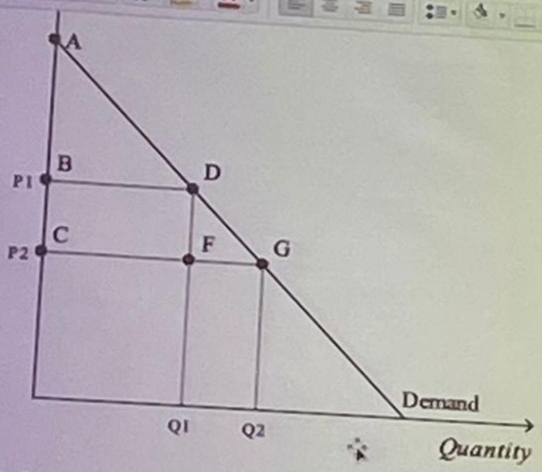
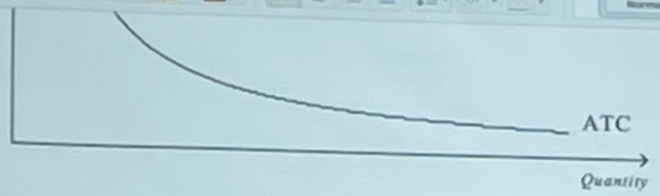


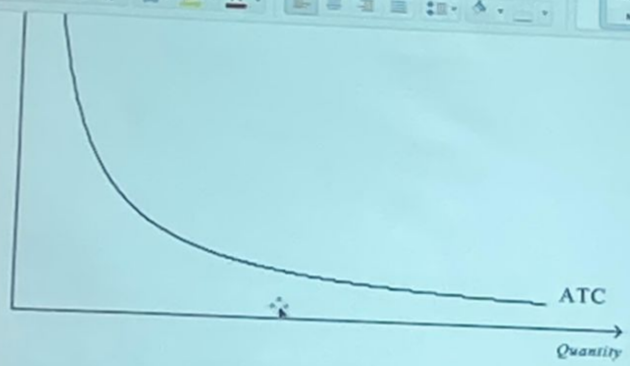
16.Refer to Figure 3. Which area represents consumer surplus at a price of P2?

a. ABD
b. ACG
c. BCDF
d. DFG



21. **Refer to Figure 5**. The shape of the average total cost curve reveals information about the nature of the barrier to entry that might exist in a monopoly market. Which of the following monopoly types best coincides with the figure?
   a. ownership of a key resource by a single firm
   b. natural monopoly
   c. government-created monopoly
   d. a patent or copyright monopoly

22. **Refer to Figure 5**. The shape of the average total cost curve in the figure suggests an opportunity for a profit-maximizing monopolist to take advantage of
   a. economies of scale.
   b. diseconomies of scale.
   c. diminishing marginal product.
   d. increasing marginal cost.



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    a. ownership of a key resource by a single firm
    b. natural monopoly
    c. government-created monopoly
    d. a patent or copyright monopoly

22. **Refer to Figure 5**. The shape of the average total cost curve in the figure suggests an opportunity for a profit-

b. 3 to 7 units
c. 7 to 9 units
d. Marginal revenue is constant over the entire range of output.

29. Trevor's Tire Company produced and sold 500 tires. The average cost of production per tire was $50. Each tire sold for a price of $65. Trevor's Tire Company's total profits are
a. $7,500.
b. $25,000.
c. $32,500.
d. $67,500.

24. In a long-run equilibrium,

a. only a perfectly competitive firm operates at its efficient scale.
b. only a monopolistically competitive firm operates at its efficient scale.
c. neither a competitive firm nor a monopolistically competitive firm charges a markup over marginal cost.
d. both a perfectly competitive firm and a monopolistically competitive firm operate at their efficient scale of production.

25. In a market characterized by monopoly, the market demand curve is

a. upward sloping.
b. horizontal.
c. downward sloping.
d. vertical.

26. A monopolist's average revenue is always

a. equal to marginal revenue.

Quantity	Price
0	$5
1	$5
2	$5
3	$5
4	$5
5	$5

27.Refer to Table 3. The price and quantity relationship in the table is most likely a demand curve faced by a firm in a

a. monopoly.
b. concentrated market.
c. competitive market.
d. strategic market.

26. A monopolist's average revenue is always

a. equal to marginal revenue.
b. greater than the price of its product.
c. equal to the price of its product.
d. less than the price of its product.

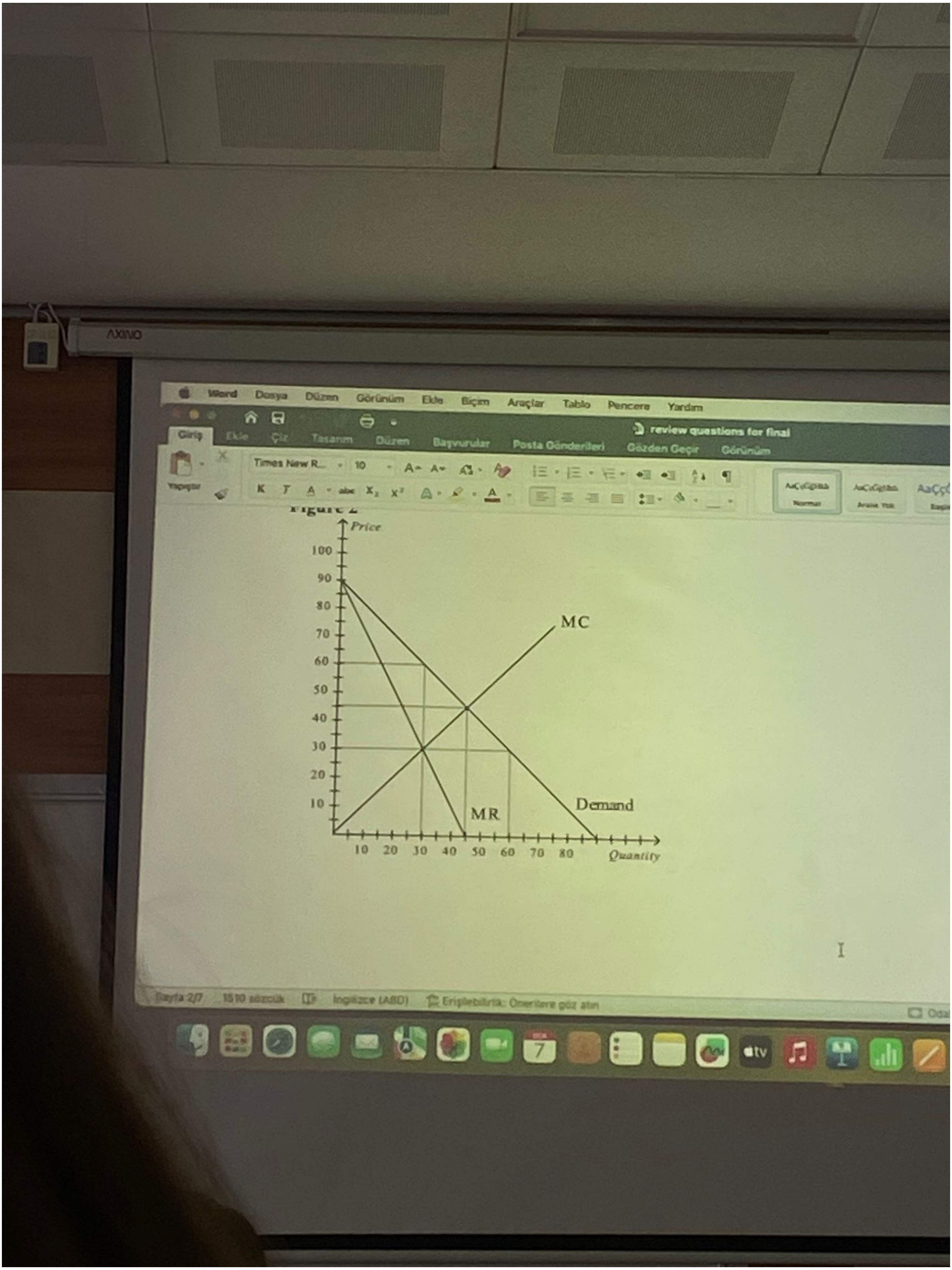
Table 3

Quantity	Price
0	$5
1	$5
2	$5
3	$5
4	$5
5	$5

13.A profit-maximizing firm will shut down in the short run when
a. price is less than average variable cost.
b. price is less than average total cost.
c. average revenue is greater than marginal cost.
d. average revenue is greater than average fixed cost.

14.Which of the following is not a characteristic of a monopoly?
a. barriers to entry
b. one seller
c. one buyer
d. a product without close substitutes

15.If firms in a monopolistically competitive market are earning positive profits, then
a. firms will likely be subject to regulation.
b. barriers to entry will be strengthened.
c. some firms will exit the market.
d. new firms will enter the market.


Word Dosya Düzen Görünüm Ekle Biçim Araçlar Tablo Pencere Yardım
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Quantity
Sayfa 2/7 1510 sözcük İngilizce (ABD)

Table 1

Charles's Math Tutoring

Number of Workers	Output (number of students tutored per week)
0	0
1	20
2	45
3	60
4	70

3.Refer to Table 1. What is the marginal product of the third worker?

a. 15 students
b. 20 students
c. 35 students
d. 60 students

4.Refer to Table 1. Charles's math tutoring company experiences diminishing marginal productivity with the addition of the

a. first worker.
b. second worker.
c. third worker.
d. fourth worker.

9.Refer to Figure 2. To maximize total surplus, a benevolent social planner would choose which of the following outcomes?

a. Q = 30 and P = 30
b. Q = 30 and P = 60
c. Q = 45 and P = 45
d. Q = 60 and P = 30

10.Refer to Figure 2. To maximize its profit, a monopolist would choose which of the following outcomes?

a. Q = 30 and P = 30
b. Q = 30 and P = 60
c. Q = 45 and P = 45
d. Q = 60 and P = 30

Table 2

Price	Quantity Demanded	Quantity Supplied
$0	250	0
$5	200	75
$10	150	150

b. many firms, differentiated products, and free entry.
c. a few firms, identical products, and free entry.
d. a few firms, differentiated products, and barriers to entry.

2.In which of the following market structures can firms earn economic profits in the long run?
a. perfect competition
b. monopolistic competition
c. monopoly
d. Both b and c are correct.

Table 1
Charles's Math Tutoring

Number of Workers	Output (number of students tutored per week)
0	0
1	20
2	45
3	60
4	70

3.Refer to Table 1. What is the marginal product of the third worker?
a. 15 students
b. 20 students

18. Welfare economics is the study of how

a. the allocation of resources affects economic well-being.
b. a price ceiling compares to a price floor.
c. the government helps poor people.
d. a consumer's optimal choice affects her demand curve.

19. For a monopolistically competitive firm, at the profit-maximizing quantity of output,

a. price exceeds marginal cost.
b. marginal revenue exceeds marginal cost.
c. marginal cost exceeds average revenue.
d. price equals marginal revenue.

20. Which of the following is a characteristic of a monopoly?

a. low fixed costs as a portion of total costs
b. free entry and exit
c. barriers to entry
d. declining marginal cost

a. first worker.
b. second worker.
c. third worker.
d. fourth worker.

5.Firms operating in competitive markets produce output levels where marginal revenue equals
a. price.
b. average revenue.
c. total revenue divided by output.
d. All of the above are correct.

6.Economists normally assume that the goal of a firm is to
(i) sell as much of its product as possible.
(ii) set the price of the product as high as possible.
(iii) maximize profit.
a. (i) and (ii) only
b. (ii) and (iii) only
c. (iii) only
d. (i), (ii), and (iii)

Table 2

Price	Quantity Demanded	Quantity Supplied
$0	250	0
$5	200	75
$10	150	150
$15	100	225
$20	50	300
$25	0	375

11.Refer to Table 2. A price ceiling set at $15 will

a. be binding and will result in a shortage of 50 units.
b. be binding and will result in a shortage of 100 units.
c. be binding and will result in a shortage of 125 units.
d. not be binding.

12.Refer to Table 2. A price floor set at $20 will

a. be binding and will result in a surplus of 50 units.
b. be binding and will result in a surplus of 100 units.
c. be binding and will result in a surplus of 250 units.
d. not be binding.

7.Which of the following expressions is correct?

a. accounting profit = total revenue - explicit costs
b. economic profit = total revenue - implicit costs
c. economic profit = total revenue - explicit costs
d. Both a and b are correct.

8.The tax burden will fall most heavily on buyers of the good when the demand curve

a. is relatively steep, and the supply curve is relatively flat.
b. is relatively flat, and the supply curve is relatively steep.
c. and the supply curve are both relatively flat.
d. and the supply curve are both relatively steep.

Figure 2