Economics of Managerial Decisions 1st edition Blair Test Bank

SKU: 9780133548235-TEST-BANK

Exam

Name_____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

1) If the price of ground beef decreases, which of the following will occur? 1) _____
A) There will be a movement down the demand curve for ground beef.
B) Consumers will experience a decrease in their purchasing power.
C) The substitution effect will cause some consumers to switch to other types of meat.
D) The demand curve for ground beef will shift to the left.

2) If the price of peanut butter increases, which of the following will occur? 2) _____
A) Consumers will experience an increase in their purchasing power.
B) There will be a movement up the demand curve for peanut butter.
C) The demand curve for peanut butter will shift to the left.
D) The demand curve for peanut butter will shift to the right.

3) Which of the following will cause a movement along the demand curve for apple juice? 3) _____
A) a decrease in consumer incomes
B) an increase in the price of apple juice
C) an expected change in the future price of apple juice
D) a change in the price of orange juice, a substitute for apple juice

4) Which of the following will cause a movement down the demand curve for frozen chicken nuggets? 4) _____
A) a decrease in the price of frozen chicken nuggets
B) an increase in consumer incomes
C) an increase in the price of frozen chicken nuggets
D) a decrease in consumer incomes

5) Which of the following will cause a movement up the demand curve for digital printing services? 5) _____
A) a decrease in consumer incomes
B) a decrease in the price of digital printing services
C) an increase in the price of digital printing services
D) an increase in consumer incomes

6) The demand function for Super Big Bright LED light bulbs is Q^d = (45 million) – (3.5 million × P). If the company charged a price of $8 per bulb, how many will be demanded? 6) _____
A) 41.5 million B) 10 million C) 37 million D) 17 million

7) The demand function for Super Big Bright LED light bulbs is Q^d = (45 million) – (3.5 million × P). The company is currently charging a price of $8 per bulb, but is considering increasing the price to $10. How will the increase in price affect the quantity demanded? 7) _____
A) Consumers will decrease the quantity demanded by 7 million.
B) Consumers will increase the quantity demanded by 10 million.
C) Consumers will increase the quantity demanded by 7 million.
D) Consumers will decrease the quantity demanded by 10 million.

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8) The demand function for a pack of four Never Die Batteries is Q^d = (62 million) – (8 million × *P*). If the company charged a price of $5 per package, how many packages will be demanded? 8) _____
A) 54 million B) 22 million C) 102 million D) 8 million

9) The demand function for a pack of four Never Die Batteries is Q^d = (62 million) – (8 million × *P*). The company is currently charging a price of $5 per package, but is considering decreasing the price to $4. How will the decrease in price affect how many packages of batteries consumers will buy? 9) _____
A) Consumers will decrease the quantity demanded by 30 million.
B) Consumers will increase the quantity demanded by 30 million.
C) Consumers will increase the quantity demanded by 8 million.
D) Consumers will decrease the quantity demanded by 8 million.

10) For any demand function, which of the following represents the dependent variable? 10) _____
A) the quantity demanded of a good B) the price of the good
C) consumer incomes D) the price of a substitute good

11) For demand functions, which of the following cannot be an independent variable? 11) _____
A) the price of a substitute good B) the quantity demanded of a good
C) consumer incomes D) the price of the good in question

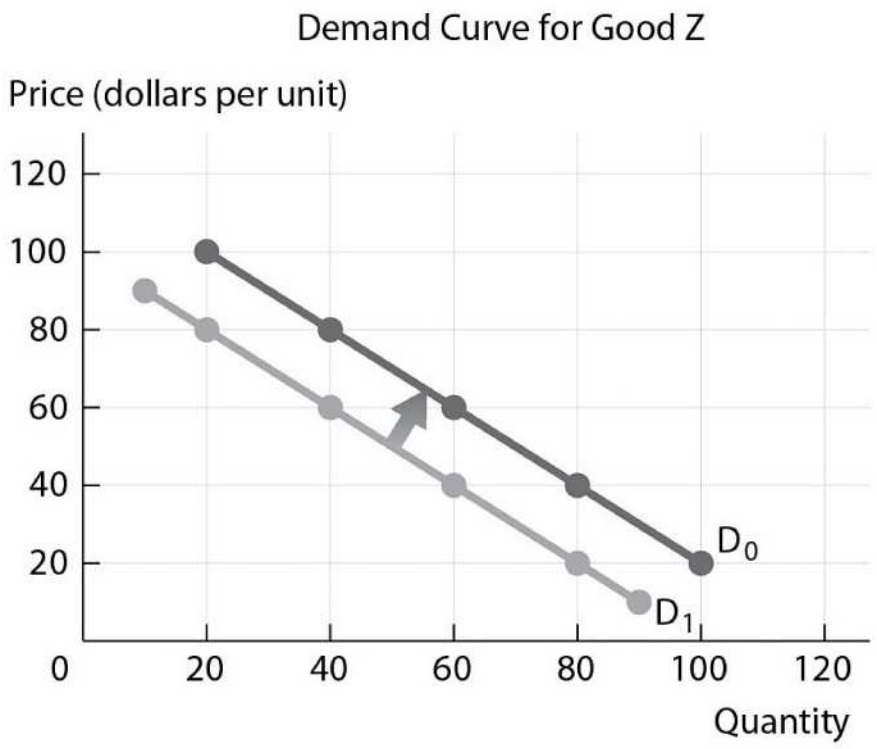
12) If an increase in consumers' incomes results in a leftward shift of the demand curve for a good, which of the following is true? 12) _____
A) The good is an inferior good.
B) The demand for the good does not follow the Law of Demand.
C) The good has an upward sloping demand curve.
D) The good is a normal good.

13) If Goods X and Y are complements, if the price of Good X decreases, this will cause a movement _____ the demand curve for Good X and a _____ shift in the demand for Good Y. 13) _____
A) up; rightward B) down; leftward
C) up; leftward D) down; rightward

14) If Goods X and Y are substitutes, if the price of Good X decreases, this will cause a movement _____ the demand curve for Good X and a _____ shift in the demand for Good Y. 14) _____
A) down; leftward B) up; rightward
C) down; rightward D) up; leftward

15) If Goods X and Y are substitutes, if the price of Good X increases, this will cause a movement _____ the demand curve for Good X and a _____ shift in the demand for Good Y. 15) _____
A) up; rightward B) up; leftward
C) down; leftward D) down; rightward

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16) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 16) _____
A) a decrease in the price of Good Z
B) an increase in income if Good Z is an inferior good
C) an increase in the price of a substitute for Good Z
D) a decrease in the expected future price of Good Z

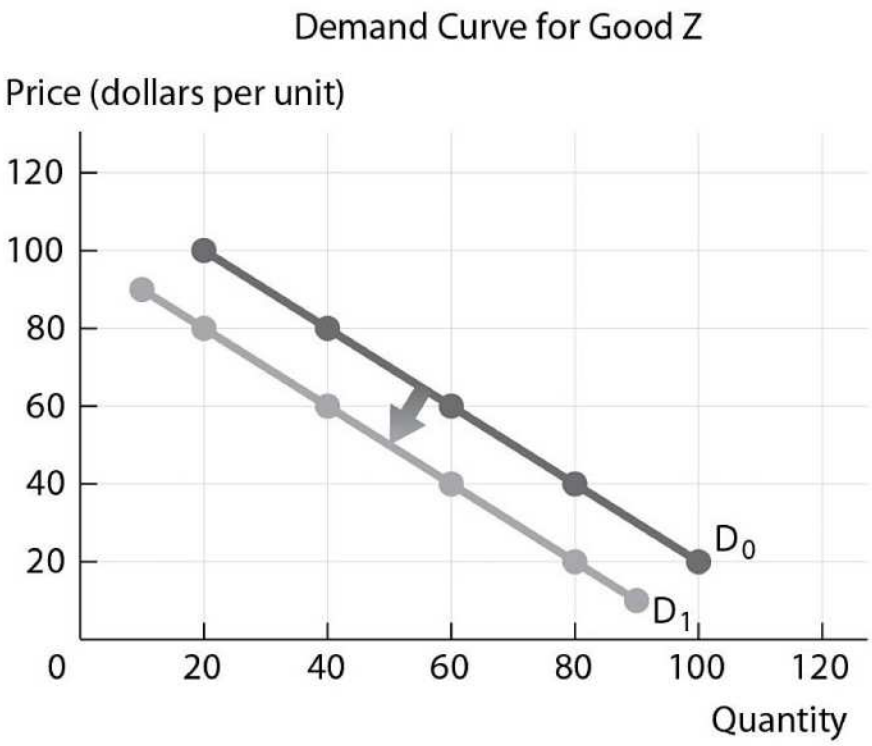
17) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 17) _____
A) a decrease in the price of a substitute for Good Z
B) a decrease in income if Good Z is an inferior good
C) a decrease in the price of Good Z
D) an increase in the price of a complement for Good Z

18) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 18) _____
A) a decrease in the expected future price of Good Z
B) an effective marketing campaign that changes preferences towards Good Z
C) an increase in income if Good Z is an inferior good
D) a decrease in the price of Good Z

19) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 19) _____
A) a decrease in the price of Good Z
B) a decrease in the expected future price of Good Z
C) an increase in the number of demanders for Good Z
D) an increase in the price of Good Z

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20) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 20) _____
A) a decrease in the price of a substitute for Good Z
B) a decrease in the number of demanders for Good Z
C) an increase in the price of a complement for Good Z
D) an increase in the expected future price of Good Z



21) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 21) _____
A) an increase in the number of demanders for Good Z
B) a decrease in the price of a complement for Good Z
C) an increase in the price of a substitute for Good Z
D) a decrease in the expected future price of Good Z

22) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 22) _____
A) an increase in the price of Good Z
B) a decrease in income if Good Z is an inferior good
C) an increase in the expected future price of Good Z
D) a decrease in the price of a substitute for Good Z

23) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 23) _____
A) an increase in income if Good Z is an inferior good
B) a decrease in the price of a complement for Good Z
C) an increase in the price of a substitute for Good Z
D) an increase in the price of Good Z

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24) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 24) _____
A) a decrease in income if Good Z is an inferior good
B) an increase in the price of a complement for Good Z
C) an increase in the price of Good Z
D) an increase in the expected future price of Good Z

25) Refer to the figure above. Which of the following could have caused the shift in the demand curve? 25) _____
A) a decrease in the price of Good Z
B) a decrease in the price of a complement for Good Z
C) a decrease in income if Good Z is a normal good
D) an increase in the price of Good Z

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

26) The Law of Demand states that as consumers' incomes increase, the demand for normal goods increase. 26) _____

27) If an increase in the price of Good X causes the demand for Good Y to shift rightward, Goods X and Y are complements. 27) _____

28) If a decrease in the price of Good X causes the demand for Good Y to shift rightward, Goods X and Y are complements. 28) _____

29) An increase in the number of demanders for a good will cause a downward movement along the demand curve. 29) _____

30) A news report discussing a medical study that found conclusive evidence of the positive health benefits of farm–raised eggs is likely to cause a rightward shift of the demand curve for farm–raised eggs. 30) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

31) If the price of avocados increases, which of the following will occur? 31) _____
A) The supply curve for avocados will shift to the right.
B) There will be a movement down the supply curve for avocados.
C) There will be a movement up the supply curve for avocados.
D) The supply curve for avocados will shift to the left.

32) If the price of tomato juice decreases, which of the following will occur? 32) _____
A) The supply curve for tomato juice will shift to the left.
B) There will be a movement down the supply curve for tomato juice.
C) There will be a movement up the supply curve for tomato juice.
D) The supply curve for tomato juice will shift to the right.

33) Which of the following will cause a movement down the supply curve for frozen chicken nuggets? 33) _____
A) a decrease in the cost to produce frozen chicken nuggets
B) an increase in the number of suppliers of frozen chicken nuggets
C) a decrease in the expected future price of frozen chicken nuggets
D) a decrease in the price of frozen chicken nuggets

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34) The supply function for a pack of four Never Die Batteries is $Q^S = (0) + (6 \text{ million} \times P)$. If the company charged a price of \$5 per package, how many packages will be supplied? 34) _____
A) 6 million B) 0 C) 22 million D) 30 million

35) The supply function for a pack of four Never Die Batteries is $Q^S = (0) + (6 \text{ million} \times P)$. If the price of a package of four Never Die Batteries increases by \$1, how will this change the quantity supplied? 35) _____
A) increase by 6 million
B) increase by 1 million
C) decrease by 1 million
D) decrease by 6 million

36) The supply function for a half gallon of Happy Cow Milk is $Q^S = (0) + (2 \text{ million} \times P)$. If the company charged a price of \$3.5 per half gallon, how many half gallons will be supplied? 36) _____
A) 3.5 million B) 0 C) 7 million D) 2 million

37) The supply function for a half gallon of Happy Cow Milk is $Q^S = (0) + (2 \text{ million} \times P)$. If the price of a Happy Cow Milk decreases by \$1, how will this change the quantity supplied? 37) _____
A) increase by 2 million
B) decrease by 2 million
C) increase by 1 million
D) decrease by 1 million

38) If Goods X and Y are substitutes in production, if the price of Good X decreases, this will cause a movement _____ the supply curve for Good X and a _____ shift in the supply curve for Good Y. 38) _____
A) up; leftward
B) down; leftward
C) down; rightward
D) up; rightward

39) If Goods X and Y are substitutes in production, if the price of Good X increases, this will cause a movement _____ the supply curve for Good X and a _____ shift in the supply curve for Good Y. 39) _____
A) up; leftward
B) down; leftward
C) up; rightward
D) down; rightward

40) If Goods X and Y are substitutes in production, if the price of Good X decreases, this will cause a _____ the supply curve for Good X and a _____ the supply curve for Good Y. 40) _____
A) shift in; shift in
B) movement along; movement along
C) movement along; shift in
D) shift in; movement along

41) If Goods X and Y are substitutes in production, if the price of Good X increases, this will cause a _____ the supply curve for Good X and a _____ the supply curve for Good Y. 41) _____
A) movement along; shift in
B) shift in; movement along
C) shift in; shift in
D) movement along; movement along

42) If Goods R and S are complements in production, if the price of Good R increases, this will cause a(n) _____ the supply curve for Good S. 42) _____
A) upward movement along
B) downward movement along
C) rightward shift in
D) leftward shift in

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43) If Goods R and S are complements in production, if the price of Good R decreases, this will cause a(n) _____ the supply curve for Good S. 43) _____

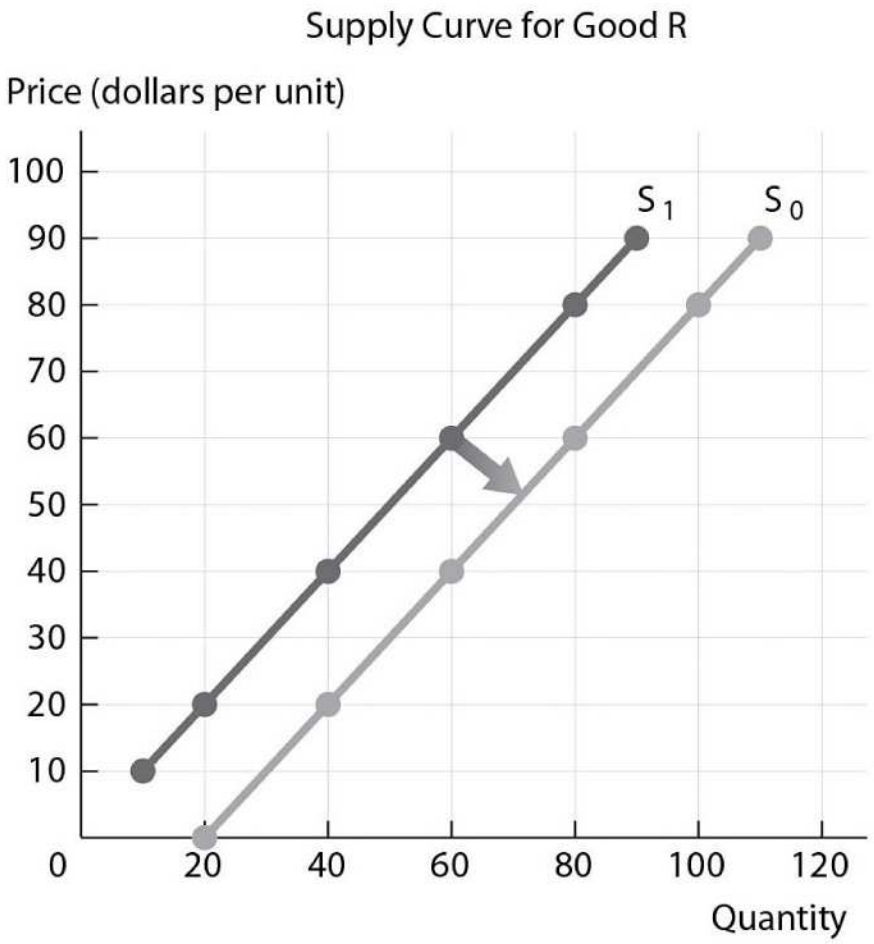
A) leftward shift in
B) upward movement along
C) rightward shift in
D) downward movement along

44) A technological advancement in the production of LED light bulbs will result in _____. 44) _____

A) a rightward shift of the supply curve
B) a leftward shift of the supply curve
C) an upward movement along the supply curve
D) a downward movement along the supply curve

45) A bad growing season for avocados will result in _____. 45) _____

A) a leftward shift of the supply curve
B) a downward movement along the supply curve
C) a rightward shift of the supply curve
D) an upward movement along the supply curve



46) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 46) _____

A) a decrease in the price of Good R
B) an increase in the number of sellers of Good R
C) an increase in the cost of producing Good R
D) an increase in the price of a substitute good in production

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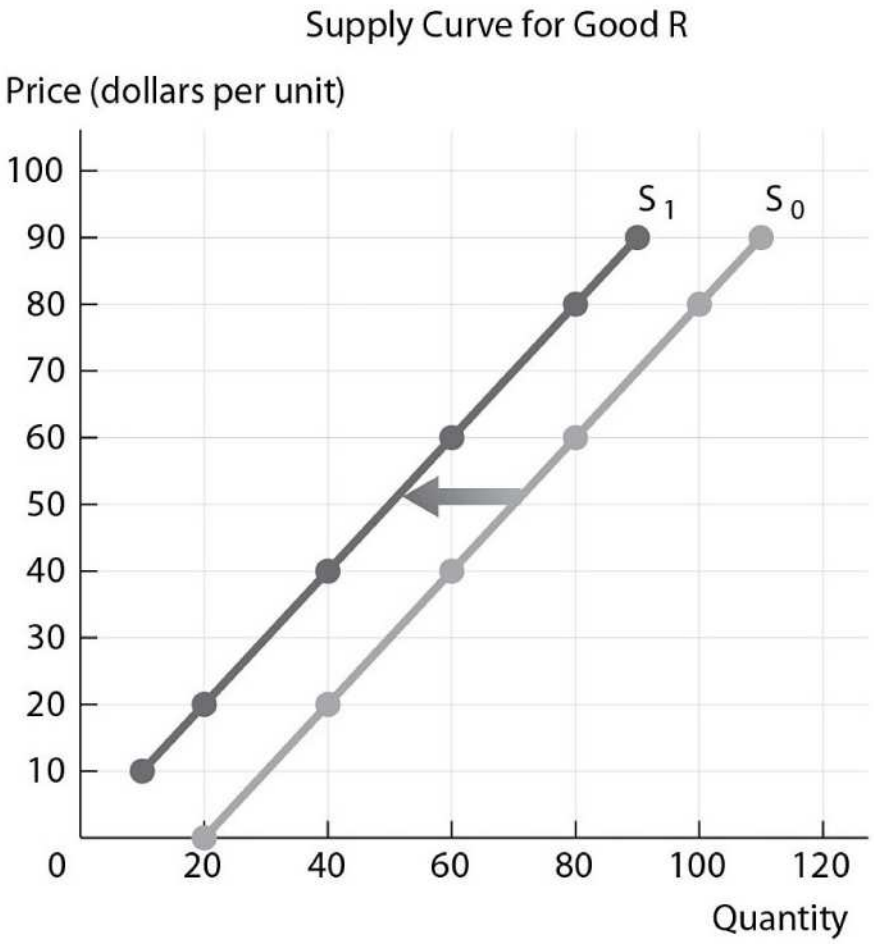
47) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 47) _____
A) a decrease in the cost of producing Good R
B) a bad state of nature for the production of Good R
C) an increase in the price of a substitute good in production
D) an increase in the price of Good R

48) Refer to the figure above. All of the following except which one could have caused the shift in the supply curve? 48) _____
A) a decrease in the cost of producing Good R
B) an increase in the price of Good R
C) an increase in the number of sellers of Good R
D) a good state of nature for the production of Good R

49) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 49) _____
A) an increase in the price of a substitute good in production
B) a decrease in the price of Good R
C) an increase in the expected future price of Good R
D) an increase in the price of a complement good in production

50) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 50) _____
A) a decrease in the price of a complement good in production
B) a decrease in the price of a substitute good in production
C) a decrease in the number of sellers of Good R
D) a bad state of nature for the production of Good R

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51) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 51) _____
A) an increase in the cost of producing Good R
B) an increase in the number of sellers of Good R
C) a decrease in the price of a substitute good in production
D) an increase in the price of Good R

52) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 52) _____
A) an increase in the price of a substitute good in production
B) a good state of nature for the production of Good R
C) a decrease in the cost of producing Good R
D) a decrease in the price of Good R

53) Refer to the figure above. All of the following except which one could have caused the shift in the supply curve? 53) _____
A) an increase in the price of a complement good in production
B) a decrease in the number of sellers of Good R
C) an increase in the cost of producing Good R
D) an increase in the price of a substitute good in production

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54) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 54) _____
A) a technological advancement in the production of Good R
B) a decrease in the expected future price of Good R
C) a decrease in the cost of producing Good R
D) a decrease in the price of a complement good in production

55) Refer to the figure above. Which of the following could have caused the shift in the supply curve? 55) _____
A) an increase in the price of a complement good in production
B) a decrease in the expected future price of Good R
C) a technological advancement in the production of Good R
D) a bad state of nature for the production of Good R

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

56) An increase in the price of Good R will cause a movement upward on the supply curve for Good R. 56) _____

57) If Goods Y and Z are complements in production, the increase in the price of Good Y will shift the supply curve for Good Z to the right. 57) _____

58) Only a change in the price of almonds will cause a movement along the supply curve of almonds. 58) _____

59) If Goods R and S are complements in production, if the price of Good R increases, both the supply curve for Good R and Good S will shift. 59) _____

60) In terms of production, cost and price are the same. 60) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

61) At the equilibrium price, which of the following is true? 61) _____
A) The quantity supplied exceeds the quantity demanded.
B) The quantity demanded exceeds the quantity supplied.
C) There is a shortage of the product.
D) The quantity demanded equals the quantity supplied.

62) At any price higher than the equilibrium price, a _____ in quantity will be created and at any price lower than the equilibrium price, a _____ in quantity will be created. 62) _____
A) shortage; shortage
B) shortage; surplus
C) surplus; shortage
D) surplus; surplus

63) If there is a surplus in the market, market forces will drive the quantity supplied to _____ and the quantity demanded to _____. 63) _____
A) decrease; increase
B) increase; decrease
C) increase; increase
D) decrease; decrease

64) If there is a shortage in the market, market forces will drive the quantity supplied to _____ and the quantity demanded to _____. 64) _____
A) increase; increase
B) decrease; decrease
C) increase; decrease
D) decrease; increase

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65) If the equilibrium price for a half gallon of organic milk is $4 and the current price for a half gallon of milk is $5.25, market forces will cause all of the following to occur except which one? 65) _____

A) the quantity supplied to decrease
B) the quantity demanded to increase
C) the quantity supplied to increase
D) the price to fall to the equilibrium price

66) If the equilibrium price for a half gallon of organic milk is $4 and the current price for a half gallon of milk is $3.25, market forces will cause all of the following to occur except which one? 66) _____

A) the quantity supplied to decrease
B) the quantity supplied to increase
C) the price to rise to the equilibrium price
D) the quantity demanded to decrease

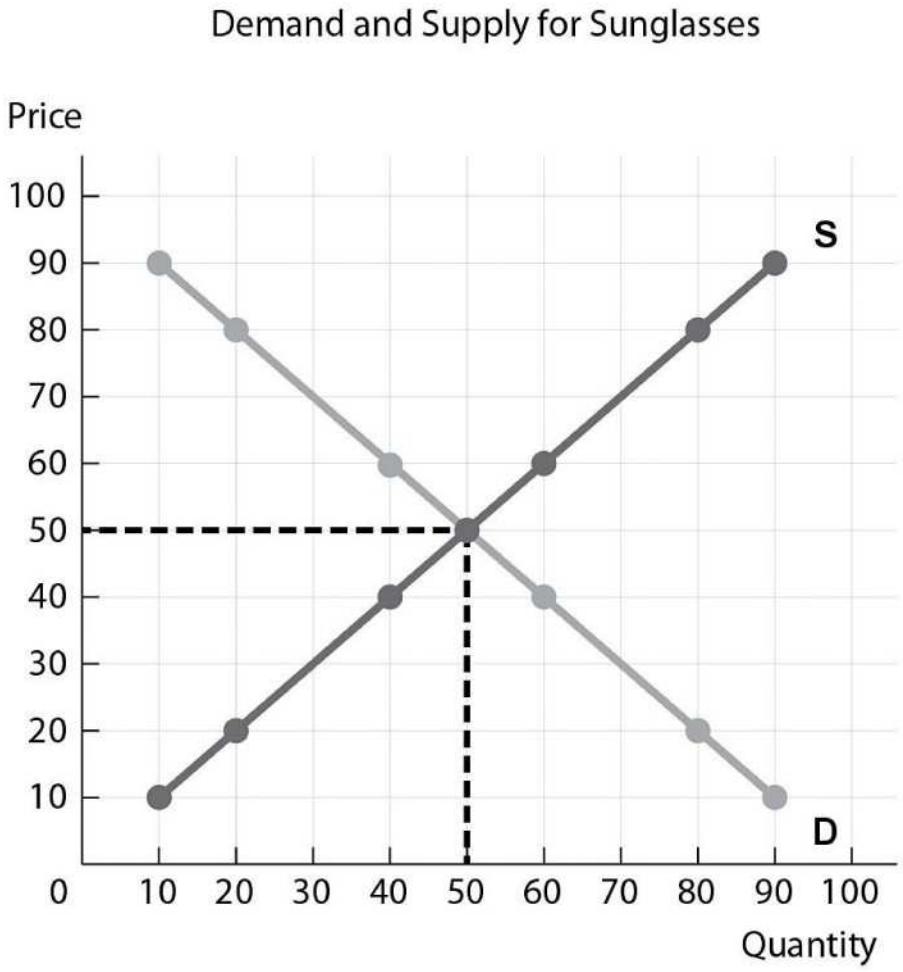
67) If the equilibrium price for a half gallon of organic milk is $4 and the current price for a half gallon of milk is $3.25, all of the following are true except which one? 67) _____

A) There is a shortage in the market.
B) Market forces will cause the current price to increase.
C) The quantity demanded exceeds the quantity supplied.
D) There is a surplus in the market.

68) If the equilibrium price for a half gallon of organic milk is $4 and the current price for a half gallon of milk is $5.25, all of the following are true except which one? 68) _____

A) There is a surplus in the market.
B) Market forces will cause the current price to fall.
C) The quantity supplied exceeds the quantity demanded.
D) There is a shortage in the market.

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69) Refer to the figure above. At a price of $50, which of the following is true? 69) _____
A) The quantity demanded equals the quantity supplied.
B) The quantity supplied exceeds the quantity demanded.
C) The quantity demanded exceeds the quantity supplied
D) There is a shortage of the sunglasses.

70) Refer to the figure above. At a price of $30, which of the following is true? 70) _____
A) There is a surplus of the sunglasses.
B) The quantity demanded equals the quantity supplied.
C) The quantity demanded exceeds the quantity supplied.
D) The quantity supplied exceeds the quantity demanded.

71) Refer to the figure above. At a price of $70, which of the following is true? 71) _____
A) There is a shortage of the sunglasses.
B) The quantity supplied exceeds the quantity demanded.
C) The quantity demanded exceeds the quantity supplied.
D) The quantity demanded equals the quantity supplied.

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72) Refer to the figure above. If the price of sunglasses is currently $70, market forces will cause the quantity supplied to _____ and the quantity demanded to _____ until the price is equal to the equilibrium price. 72) _____
A) decrease; decrease
B) increase; increase
C) increase; decrease
D) decrease; increase

73) Refer to the figure above. If the price of sunglasses is currently $30, market forces will cause the quantity supplied to _____ and the quantity demanded to _____ until the price is equal to the equilibrium price. 73) _____
A) increase; decrease
B) decrease; increase
C) increase; increase
D) decrease; decrease

74) If the Q^d = (20 million) – (2 million × *P*) and Q^S = (0) + (3 million × *P*), the equilibrium price for the product is _____. 74) _____
A) $3 B) $5 C) $2 D) $4

75) If the Q^d = (50 million) – (4 million × *P*) and Q^S = (0) + (1 million × *P*), the equilibrium price for the product is _____. 75) _____
A) $1 B) $5 C) $4 D) $10

76) If the Q^d = (40 million) – (8 million × *P*) and Q^S = (10 million) + (2 million × *P*), the equilibrium price for the product is _____. 76) _____
A) $12 B) $2 C) $8 D) $3

77) If the Q^d = (50 million) – (4 million × *P*) and Q^S = (2 million) + (4 million × *P*), the equilibrium price for the product is _____. 77) _____
A) $10 B) $6 C) $2 D) $4

78) If the Q^d = (12 million) – (1 million × *P*) and Q^S = (2 million) + (1 million × *P*), the equilibrium price for the product is _____. 78) _____
A) $12 B) $5 C) $2 D) $1

79) If the Q^d = (18 million) – (3 million × *P*) and Q^S = (0) + (3 million × *P*), the equilibrium price for the product is _____. 79) _____
A) $10 B) $3 C) $6 D) $8

80) For a particular product the Q^d = (20 million) – (2.5 million × *P*) and Q^S = (0) + (2.5 million × *P*). If the current price is $5, which of the following is true? 80) _____
A) There is a surplus of the product in the market.
B) There is a shortage of the product in the market.
C) The current price is equal to the equilibrium price.
D) The quantity demanded equals the quantity supplied.

81) For a particular product the Q^d = (45 million) – (3 million × *P*) and Q^S = (0) + (2 million × *P*). If the current price is $7, which of the following is true? 81) _____
A) There is a surplus of the product in the market.
B) The quantity demanded equals the quantity supplied.
C) There is a shortage of the product in the market.
D) The current price is equal to the equilibrium price.

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82) If the Q^d = (18 million) − (3 million × *P*) and Q^S = (0) + (3 million × *P*), the equilibrium quantity for the product is _____. 82) _____
A) 3 million B) 6 million C) 18 million D) 9 million

83) If the Q^d = (20 million) − (2.5 million × *P*) and Q^S = (0) + (2.5 million × *P*), the equilibrium quantity for the product is _____. 83) _____
A) 20 million B) 10 million C) 5 million D) 2.5 million

84) If the Q^d = (50 million) − (4 million × *P*) and Q^S = (2 million) + (4 million × *P*), the equilibrium quantity for the product is _____. 84) _____
A) 26 million B) 4 million C) 12 million D) 8 million

85) If the Q^d = (12 million) − (1 million × *P*) and Q^S = (2 million) + (1 million × *P*), the equilibrium quantity for the product is _____. 85) _____
A) 1 million B) 11 million C) 10 million D) 7 million

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

86) For any good or service, at the market equilibrium price the quantity demanded exceeds the quantity supplied. 86) _____

87) If the current price for salmon exceeds the equilibrium price, there will be a surplus of salmon in the market. 87) _____

88) If the current price for a product is not equal to its equilibrium price, the quantity demanded is not equal to the quantity supplied. 88) _____

89) If the market for salmon is in equilibrium, there is not a shortage or a surplus of salmon. 89) _____

90) If the Q^d = (15 million) − (2 million × *P*) and Q^S = (0) + (3 million × *P*), the equilibrium price for the product is $3. 90) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

91) The maximum price a consumer is willing to pay for a second slice of pizza is _____. 91) _____
A) the consumer's marginal benefit of a second slice of pizza
B) always more than the maximum price the consumer is willing to pay for the first slice of pizza
C) the consumer's marginal cost of a second slice of pizza
D) equal to the consumer surplus

92) The maximum price a consumer is willing to pay for a second bottle of water is _____. 92) _____
A) equal to the consumer surplus
B) the consumer's marginal benefit of a second bottle of water
C) the consumer's marginal cost of a second bottle of water
D) equal to the consumer's total value of two bottles of water

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93) The minimum price a producer is willing to accept for the one hundredth bottle of water is _____. 93) _____
A) the producer's marginal cost of the one hundredth bottle of water
B) the producer's marginal benefit of the one hundredth bottle of water
C) equal to the producer surplus
D) equal to the producer's total value of 100 bottles of water

94) The minimum price a producer is willing to accept for the fifth slice of pizza is _____. 94) _____
A) equal to the producer's total value of five slices of pizza
B) the producer's marginal cost of the fifth slice of pizza
C) the producer's marginal benefit of the fifth slice of pizza
D) equal to the consumer surplus of the fifth slice of pizza

95) If a competitive market is producing at the efficient quantity, _____. 95) _____
A) total surplus is minimized
B) the quantity produced exceeds the equilibrium quantity
C) total surplus is maximized
D) a deadweight loss exists

96) If a competitive market is producing at the efficient quantity, all of the following are true except which one? 96) _____
A) The marginal benefit to society exceeds the marginal cost.
B) Total surplus is maximized.
C) The efficient quantity is being produced.
D) Deadweight loss is equal to zero.

97) If a competitive market is producing at the efficient quantity, all of the following are true except which one? 97) _____
A) Total surplus is maximized.
B) The marginal benefit to society equals the marginal cost.
C) There is overproduction in the market.
D) The efficient quantity is being produced.

98) If deadweight loss exists in a competitive market, which one of the following is true? 98) _____
A) The efficient quantity is being produced.
B) The market is either under– or overproducing.
C) Total surplus is maximized.
D) The marginal benefit to society equals the marginal cost.

99) If there is underproduction in a competitive market, _____. 99) _____
A) there will be no deadweight loss
B) the marginal benefit to society exceeds the marginal cost
C) the marginal cost to society exceeds the marginal benefit
D) the market is producing the efficient quantity

100) If there is overproduction in a competitive market, _____. 100) _____
A) there will be no deadweight loss
B) the marginal benefit to society exceeds the marginal cost
C) the market is producing the efficient quantity
D) the marginal cost to society exceeds the marginal benefit

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101) If there is overproduction in a competitive market, _____ will increase if the quantity produced _____ to the equilibrium quantity. 101) _____

A) total surplus; decreases
B) deadweight loss; increases
C) deadweight loss; decreases
D) total surplus; increases

102) If there is underproduction in a competitive market, _____ will increase if the quantity produced _____ to the equilibrium quantity. 102) _____

A) deadweight loss; decreases
B) deadweight loss; increases
C) total surplus; decreases
D) total surplus; increases

103) If there is underproduction in a competitive market, the quantity produced is _____ than the efficient quantity and the marginal benefit to society is _____ than the marginal cost. 103) _____

A) less; less
B) greater; less
C) less; greater
D) greater; greater

104) If there is overproduction in a competitive market, the quantity produced is _____ than the efficient quantity and the marginal benefit to society is _____ than the marginal cost. 104) _____

A) less; less
B) greater; less
C) less; greater
D) greater; greater

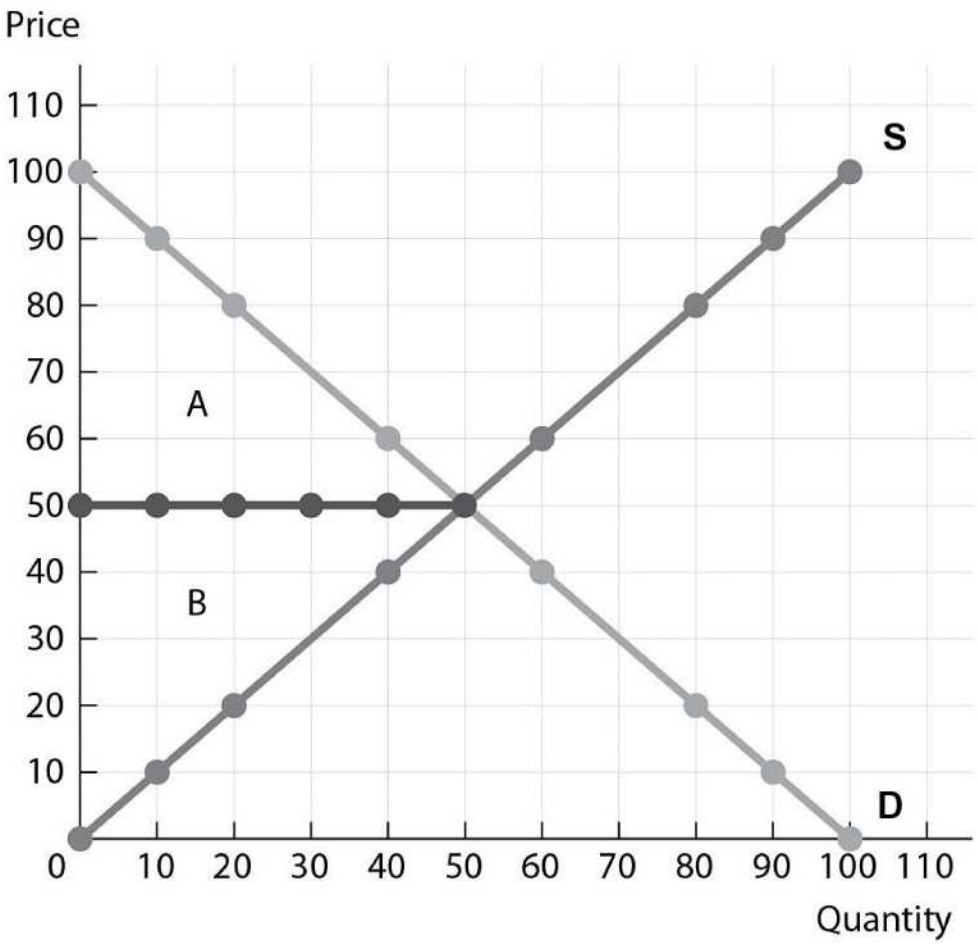
105) All else equal, the higher the price, the _____ the consumer surplus and the _____ the producer surplus. 105) _____

A) higher; lower
B) higher; higher
C) lower; lower
D) lower; higher

106) All else equal, the lower the price, the _____ the consumer surplus and the _____ the producer surplus. 106) _____

A) higher; higher
B) lower; higher
C) higher; lower
D) lower; lower

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107) Refer to the figure above. If the market price for sunglasses is $50, Area A represents the _____. 107) _____
A) producer surplus B) deadweight loss
C) total surplus D) consumer surplus

108) Refer to the figure above. If the market price of sunglasses is $50, Area B represents the _____. 108) _____
A) consumer surplus B) deadweight loss
C) producer surplus D) total surplus

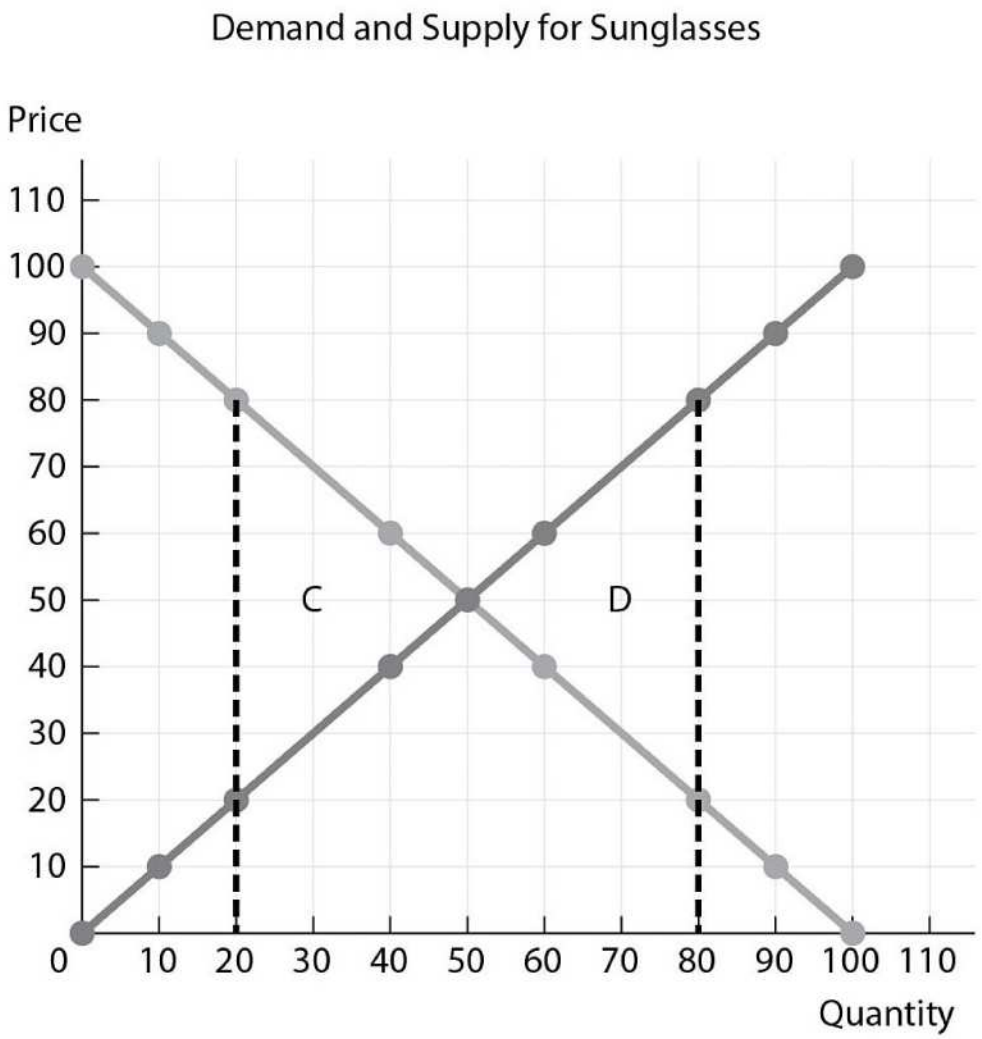
109) Refer to the figure above. If the market price of sunglasses is $50, Area A + B represents the _____. 109) _____
A) producer surplus B) total surplus
C) consumer surplus D) deadweight loss

110) Refer to the figure above. If the market price of sunglasses is $50, which of the following is true? 110) _____
A) The marginal benefit to society exceeds the marginal cost.
B) The marginal cost to society exceeds the marginal benefit.
C) The total surplus is minimized.
D) There is no deadweight loss.

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111) Refer to the figure above. If market price of sunglasses is $50, all of the following are true except which one? 111) _____

A) The efficient quantity is produced.
B) The marginal cost to society equals the marginal benefit.
C) Total surplus is maximized.
D) Area B represents the deadweight loss.



112) Refer to the figure above. If 20 units of sunglasses are produced, the marginal benefit to society is _____ than the marginal cost and sunglasses are _____. 112) _____

A) less; underproduced
B) greater; underproduced
C) greater; overproduced
D) less; overproduced

113) Refer to the figure above. If 80 units of sunglasses are produced, the marginal benefit to society is _____ than the marginal cost and sunglasses are _____. 113) _____

A) less; overproduced
B) greater; underproduced
C) greater; overproduced
D) less; underproduced

114) Refer to the figure above. If 20 units of sunglasses are produced, sunglasses are _____, and area _____ graphically represents the deadweight loss. 114) _____

A) overproduced; D
B) overproduced; C
C) underproduced; D
D) underproduced; C

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115) Refer to the figure above. If 80 units of sunglasses are produced, sunglasses are _____, and area _____ graphically represents the deadweight loss. 115) _____

A) underproduced; D
B) overproduced; D
C) overproduced; C
D) underproduced; C

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

116) For any market, the total surplus is equal to the consumer surplus plus the producer surplus. 116) _____

117) For any market, the total surplus is equal to the consumer surplus minus the producer surplus. 117) _____

118) All else equal, the higher the actual price producers receive for their product, the greater the producer surplus. 118) _____

119) All else equal, the higher the actual price consumers must pay to purchase a product, the greater the consumer surplus. 119) _____

120) In a competitive market, if the deadweight loss is equal to zero, society enjoys the largest total surplus. 120) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

121) An increase in the demand for bananas will _____ the equilibrium price and _____ the equilibrium quantity of bananas. 121) _____

A) decrease; increase
B) increase; decrease
C) decrease; decrease
D) increase; increase

122) A decrease in the demand for pork chops will _____ the equilibrium price and _____ the equilibrium quantity of pork chops. 122) _____

A) decrease; increase
B) increase; decrease
C) increase; increase
D) decrease; decrease

123) If the price of hot dogs increases, this will cause a(n) _____ the demand curve for hot dog buns and a(n) _____ in the equilibrium price of hot dog buns. 123) _____

A) decrease; increase
B) decrease; decrease
C) increase; increase
D) increase; decrease

124) If the price of hot dogs increases, this will cause a _____ the demand curve for hot dog buns and a _____ the supply curve of hot dog buns. 124) _____

A) movement along; shift of
B) shift of; movement along
C) movement along; movement along
D) shift of; shift of

125) An increase in consumer incomes will shift the demand curve for luxury vehicles to the _____ and _____ both the equilibrium price and quantity of luxury vehicles. 125) _____

A) left; decrease B) left; increase C) right; increase D) right; decrease

126) A decrease in consumer incomes will shift the demand curve for designer handbags to the _____ and _____ both the equilibrium price and quantity of designer handbags. 126) _____

A) left; decrease B) right; increase C) left; increase D) right; decrease

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127) A technological advancement in the production of hybrid cars will cause a _____ the supply curve for hybrid cars and a(n) _____ in the equilibrium price of hybrid cars. 127) _____
A) movement along; decrease B) shift of; increase
C) shift of; decrease D) movement along; increase

128) A technological advancement in the production of engineered diamonds will cause the equilibrium price of engineered diamonds to _____ and the equilibrium quantity to _____. 128) _____
A) increase; decrease B) decrease; increase
C) increase; increase D) decrease; decrease

129) An increase in the cost of flour will shift the supply curve for bread to the _____ and _____ the equilibrium quantity of bread. 129) _____
A) right; decrease B) left; increase C) left; decrease D) right; increase

130) A bad state of nature for the production of tomatoes will shift the supply curve for tomatoes to the _____ and _____ the equilibrium price of tomatoes. 130) _____
A) left; increase B) right; decrease C) right; increase D) left; decrease

131) If consumers' incomes increase at the same time there is a decrease in the cost to produce granite counter tops, which of the following is true? 131) _____
A) The equilibrium quantity will increase.
B) The equilibrium quantity will decrease.
C) Both the demand and supply curves will shift to the left.
D) The effect on the equilibrium quantity is ambiguous without more information.

132) If the number of demanders for electric cars increases at the same time as the number of suppliers of electric cars increases, which of the following is true? 132) _____
A) The equilibrium quantity will increase.
B) The equilibrium quantity will decrease.
C) Both the demand and supply curves will shift to the left.
D) The effect on the equilibrium quantity is ambiguous without more information.

133) If the number of demanders for electric cars increases at the same time as the number of suppliers of electric cars increases and the shift in demand is equal to the shift in supply, which of the following is true? 133) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will not change.
D) The equilibrium quantity will increase and the equilibrium price will not change.

134) If the cost to produce frozen chicken nuggets decreases at the same time as consumer tastes shift away from frozen chicken nuggets and the shift in demand is greater than the shift in supply, which of the following is true? 134) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will not change.
D) The equilibrium quantity will decrease and the equilibrium price will increase.

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135) If the cost to produce frozen chicken nuggets decreases at the same time as consumer tastes shift away from frozen chicken nuggets and the shift in supply is greater than the shift in demand, which of the following is true? 135) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will increase.
D) The equilibrium price will decrease and the equilibrium quantity will not change.

136) If the cost to produce frozen chicken nuggets decreases at the same time as consumer tastes shift away from frozen chicken nuggets and the shift in demand is equal to the shift in supply, which of the following is true? 136) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will increase.
D) The equilibrium price will decrease and the equilibrium quantity will not change

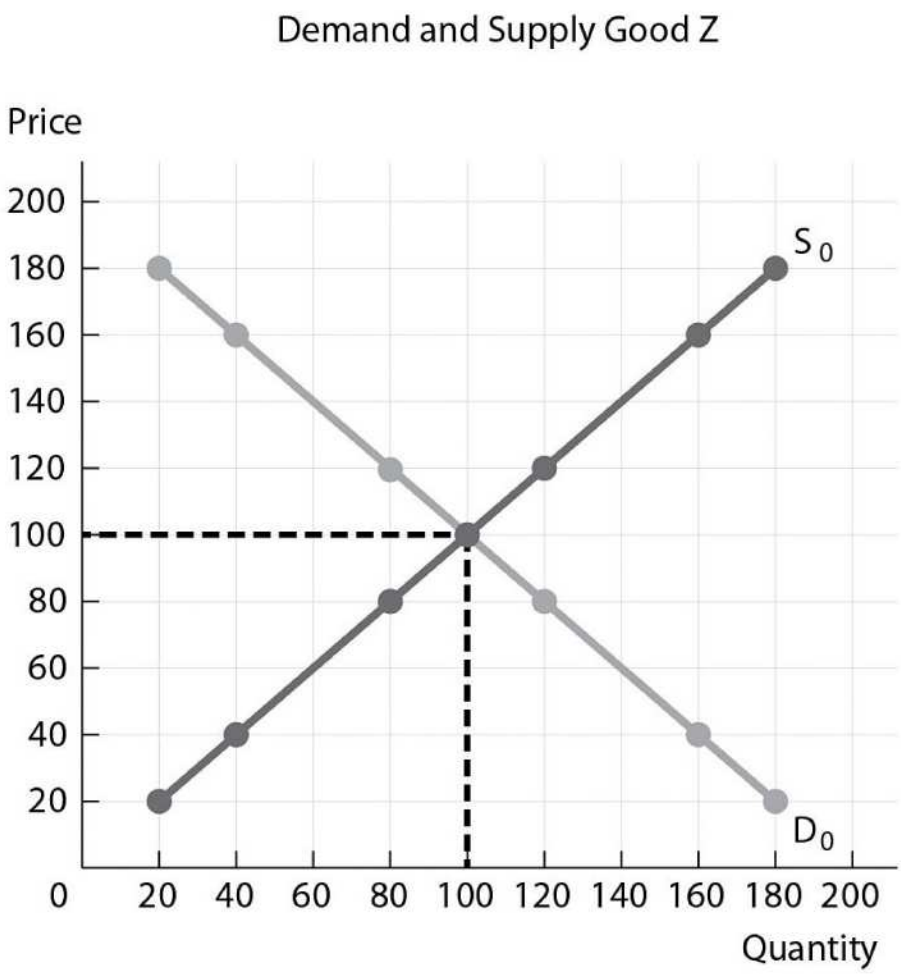
137) If the number of demanders for granite counter tops increases at the same time as the number of suppliers of granite counter tops decreases and the shift in demand is greater than the shift in supply, which of the following is true? 137) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will not change.
D) The equilibrium price will increase and the equilibrium quantity will increase.

138) If a press release reports that the future price of gasoline is expected to rise and suppliers respond more to the change in the expected future price than demanders, which of the following is true? 138) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will increase and the equilibrium quantity will decrease.
D) The equilibrium price will decrease and the equilibrium quantity will increase.

139) If a press release reports that the future price of new homes is expected to decrease and demanders respond more to the change in the expected future price than suppliers, which of the following is true? 139) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will decrease and the equilibrium quantity will increase.
D) The equilibrium price will increase and the equilibrium quantity will decrease.

140) If a press release reports that the future price of new homes is expected to decrease and demanders and suppliers respond equally to the change in the expected future price, which of the following is true? 140) _____
A) Both the equilibrium quantity and price will decrease.
B) Both the equilibrium quantity and price will increase.
C) The equilibrium price will increase and the equilibrium quantity will decrease.
D) The equilibrium price will decrease and the equilibrium quantity will remain the same.

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141) Refer to the figure above. If the number of demanders for Good Z increases at the same time as the number of suppliers of Good Z decreases and the shift in demand is greater than the shift in supply, the equilibrium price will be _____ than $100 and the equilibrium quantity will be _____ than 100. 141) _____

A) greater; greater B) greater; less C) less; greater D) less; less

142) Refer to the figure above. If the number of demanders for Good Z increases at the same time as the number of suppliers of Good Z decreases and the shift in supply is greater than the shift in demand, the equilibrium price will be _____ than $100 and the equilibrium quantity will be _____ than 100. 142) _____

A) greater; greater B) greater; less C) less; greater D) less; less

143) Refer to the figure above. If Good Z is a normal good and consumers' incomes decrease at the same time as the number of suppliers of Good Z decreases and the shift in supply is greater than the shift in demand, the equilibrium price will be _____ than $100 and the equilibrium quantity will be _____ than 100. 143) _____

A) greater; greater B) greater; less C) less; greater D) less; less

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144) Refer to the figure above. If Good Z is a normal good and consumers' incomes decrease at the same time as the number of suppliers of Good Z decreases and the shift in demand is greater than the shift in supply, the equilibrium price will be _____ than $100 and the equilibrium quantity will be _____ than 100. 144) _____

A) greater; greater B) greater; less C) less; greater D) less; less

145) Refer to the figure above. If Good Z is an inferior good and consumers' incomes decrease at the same time as the number of suppliers of Good Z decreases and the shift in demand is greater than the shift in supply, the equilibrium price will be _____ than $100 and the equilibrium quantity will be _____ than 100. 145) _____

A) greater; greater B) greater; less C) less; greater D) less; less

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

146) If consumers' preferences move away from candy bars, this will lead to a movement along the demand curve and a shift of the supply curve. 146) _____

147) A technological advancement in the production of laundry detergent will lead to a decrease in the equilibrium price of laundry detergent and an increase in the equilibrium quantity. 147) _____

148) If both the demand and the supply curves shift to the left the equilibrium quantity will fall, but the effect on equilibrium price is ambiguous without more information. 148) _____

149) If the number of demanders for granite counter tops decreases at the same time as the number of suppliers of granite counter tops decreases and the shift in supply is greater than the shift in demand, both the equilibrium price and quantity of granite counter tops will fall. 149) _____

150) If the number of demanders for granite counter tops decreases at the same time as the number of suppliers of granite counter tops decreases and the shift in demand is equal to the shift in supply, both the equilibrium price and quantity of granite counter tops will fall. 150) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

151) A price ceiling is a _____ legal price set by the government that causes a _____ in the market. 151) _____

A) minimum; surplus B) minimum; shortage
C) maximum; surplus D) maximum; shortage

152) All of the following are true of a price ceiling except which one? 152) _____

A) It creates a deadweight loss. B) It can lead to black markets.
C) It causes a shortage in the market. D) It causes a surplus in the market.

153) All of the following are true of a price ceiling except which one? 153) _____

A) It causes a shortage in the market. B) It causes buyers search time to increase.
C) It can lead to black markets. D) It does not create deadweight loss.

154) A price ceiling is set _____ the equilibrium quantity and results in a _____. 154) _____

A) below; shortage B) above; surplus C) above; shortage D) below; surplus

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155) All of the following are true of a price ceiling except which one? 155) _____
A) Suppliers benefit. B) Suppliers are harmed.
C) Some demanders are harmed. D) Some demanders benefit.

156) A black market _____. 156) _____
A) can arise due to a price floor B) is legal
C) can arise due to a surplus in the market D) can arise due to a price ceiling

157) All of the following are true of a price ceiling except which one? 157) _____
A) Some demanders are harmed. B) A deadweight loss is created.
C) Some demanders benefit. D) Some suppliers benefit.

158) A price floor is a _____ legal price set by the government that causes a _____ in the market. 158) _____
A) minimum; shortage B) minimum; surplus
C) maximum; surplus D) maximum; shortage

159) A price floor _____. 159) _____
A) is set below the market equilibrium price B) causes a shortage in the market
C) causes a surplus in the market D) can lead to black markets

160) If the government removes the surplus that results from an agricultural price floor, _____. 160) _____
A) all demanders are harmed B) all demanders benefit
C) all suppliers are harmed D) some suppliers benefit

161) If the government removes the surplus that results from an agricultural price floor, all producers receive a _____ price and all consumers pay a _____ price than the equilibrium price. 161) _____
A) higher; higher B) lower; higher C) higher; lower D) lower; lower

162) In product market, households _____ the product and firms _____ it. 162) _____
A) demand; supply B) supply; supply
C) supply; demand D) demand; demand

163) In an input market, households _____ the product and firms _____ it. 163) _____
A) supply; demand B) supply; supply
C) demand; demand D) demand; supply

164) The labor demand curve is _____ sloping because there is a _____ relationship between the wage rate and the quantity of labor demanded. 164) _____
A) upward; negative B) upward; positive
C) downward; negative D) downward; positive

165) The labor supply curve is _____ sloping because there is a _____ relationship between the wage rate and the quantity of labor supplied. 165) _____
A) downward; negative B) downward; positive
C) upward; positive D) upward; negative

166) When the wage rate rises and nothing else changes, there is _____ the labor demand curve. 166) _____
A) movement up B) right shift
C) left shift D) movement down

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167) When the wage rate falls and nothing else changes, there is _____ the labor demand curve. 167) _____
A) movement up B) right shift
C) left shift D) movement down

168) When the wage rate rises and nothing else changes, there is _____ the labor supply curve. 168) _____
A) right shift B) movement up
C) movement down D) left shift

169) When the wage rate falls and nothing else changes, there is _____ the labor supply curve. 169) _____
A) right shift B) movement up
C) movement down D) left shift

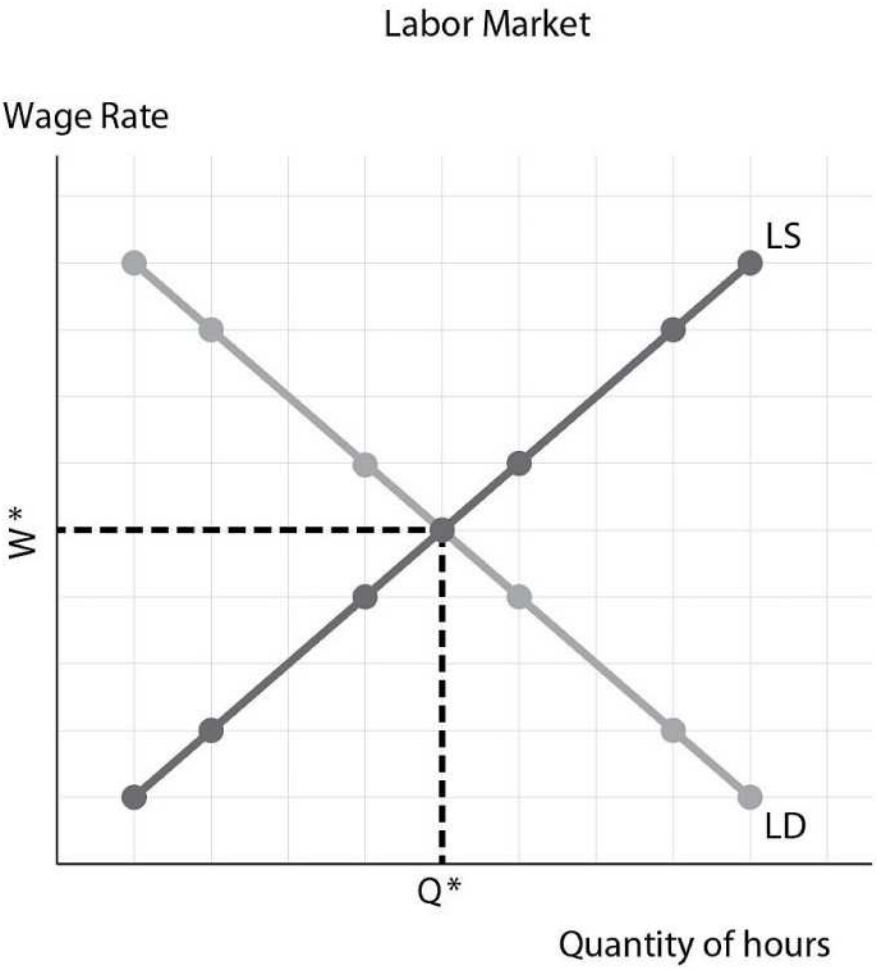
170) The minimum wage _____. 170) _____
A) is a type of price ceiling
B) is the lowest legal wage rate
C) is the highest legal wage rate for low–skilled labor
D) makes the equilibrium wage rate legal

171) All of the following are true for the minimum wage, except which one? 171) _____
A) It makes the equilibrium wage rate illegal.
B) It is a type of price floor.
C) It is the lowest legal wage rate.
D) It benefits all workers.

172) All of the following are true for the minimum wage, except which one? 172) _____
A) It creates a shortage of workers. B) It is a type of price floor.
C) It benefits some workers. D) It creates a surplus of workers.

173) A minimum wage benefits _____ workers and harms _____ employers. 173) _____
A) all; some B) all; all C) some; some D) some; all

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174) Refer to the figure above. If the government imposes a minimum wage in this market, the minimum wage will be _____ than the equilibrium wage rate of W^* and will create a _____ of workers. 174) _____

A) above; surplus B) above; shortage C) below; surplus D) below; shortage

175) Refer to the figure above. If the government imposes a minimum wage in this market, there will be a _____ the labor demand curve and a _____ the labor supply curve. 175) _____

A) shift in; shift in B) shift in; movement along
C) movement along; movement along D) movement along; shift in

176) Refer to the figure above. If the government imposes a minimum wage in this market, there will be a _____ the labor demand curve. 176) _____

A) movement up B) movement down
C) leftward shift in D) rightward shift in

177) Refer to the figure above. If the government imposes a minimum wage in this market, there will be a _____ the labor supply curve. 177) _____

A) movement down B) movement up
C) rightward shift in D) leftward shift in

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178) Refer to the figure above. If the government imposes a minimum wage in this market, employment will be _____ than the equilibrium quantity of hours Q^* and _____ workers will benefit. 178) _____
A) less; all B) greater; some C) less; some D) greater; all

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

179) A price ceiling is set above the market equilibrium price. 179) _____

180) Because price ceilings lower the price consumers have to pay, all consumers benefit from price ceilings. 180) _____

181) If the government removes the surplus that results from an agricultural price floor, all demanders are harmed and all suppliers benefit. 181) _____

182) Changes in the wage rate cause shifts in the labor demand and labor supply curve. 182) _____

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

183) As a result of a change in consumer tastes in favor of your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 183) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

184) As a result of an effective advertising campaign for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 184) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

185) As a result of bad state of nature for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 185) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

186) As a result of good state of nature for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 186) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

187) As a result of an increase in the number of demanders for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 187) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

188) As a result of a decrease in the number of demanders for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 188) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

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189) As a result of a technology advance in the production of your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 189) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

190) If you produce a normal good and consumers' incomes are expected to increase, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 190) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

191) If you produce a normal good and consumers' incomes are expected to decrease, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 191) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

192) If you produce an inferior good and consumers' incomes are expected to increase, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 192) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

193) If you produce an inferior good and consumers' incomes are expected to decrease, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 193) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

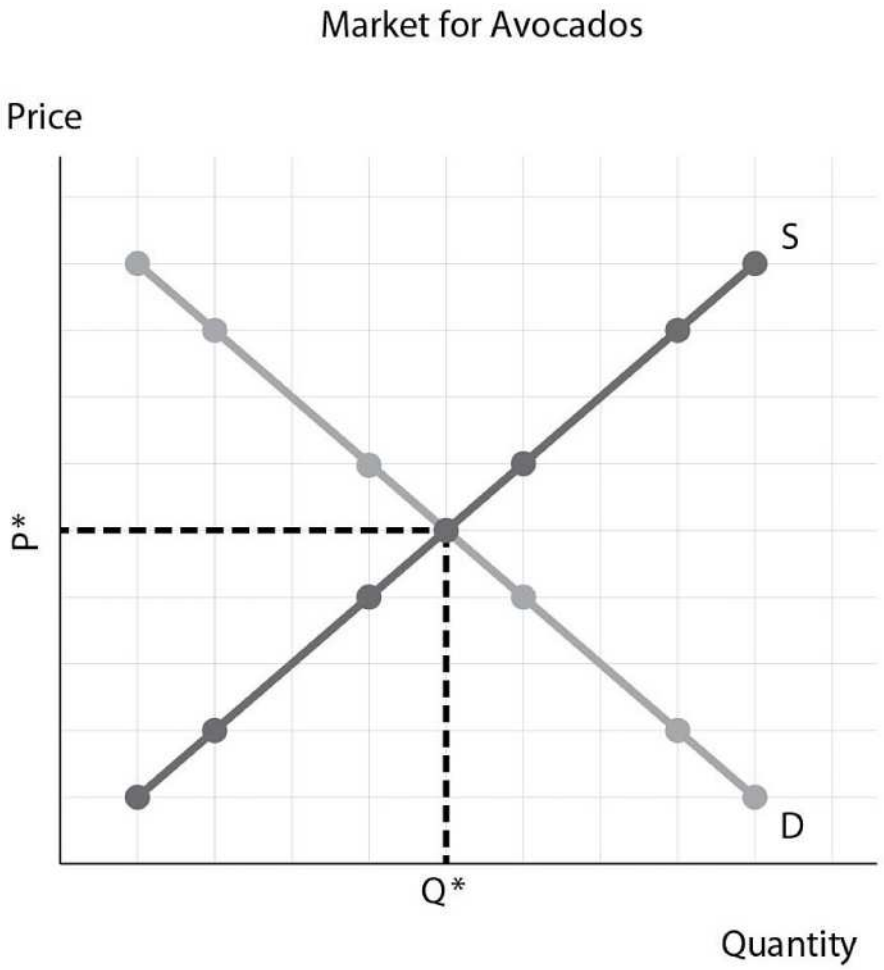
194) As a result of a decrease in the price of a substitute for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 194) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

195) As a result of an increase in the price of a substitute for your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 195) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

196) As a result of a decrease in the price of a complement to your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 196) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

197) As a result of an increase in the price of a complement to your firm's product, you should anticipate a _____ price for your product than the current equilibrium price and a _____ equilibrium quantity than the current equilibrium quantity. 197) _____
A) higher; higher B) higher; lower C) lower; higher D) lower; lower

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Your firm produces ready–made guacamole and avocados are the primary ingredient. During a news report, weather forecas announced that there will be a freeze in the region in which your firm buys avocados. This freeze will likely damage many of avocados that are almost ready for harvest.

198) Refer to the figure above. Which of the following is likely to occur as a result of the freeze? 198) _____
A) The demand curve will shift to the left. B) The demand curve will shift to the right.
C) The supply curve will shift to the right. D) The supply curve will shift to the left.

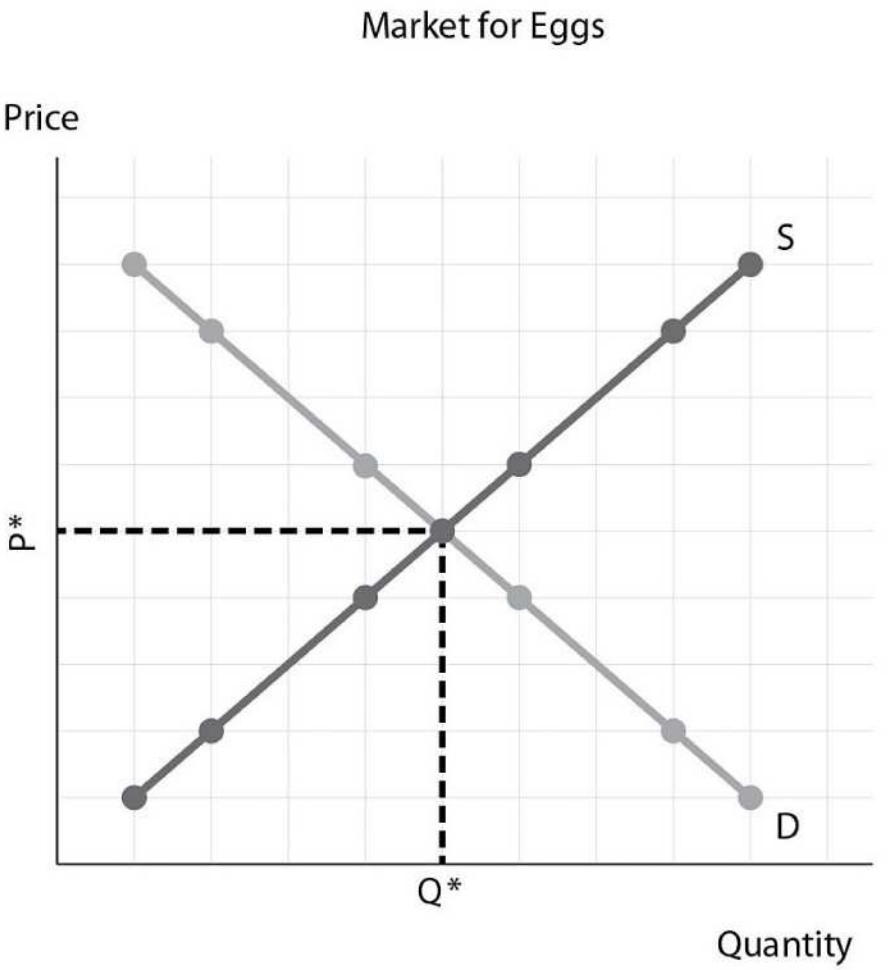
199) Refer to the figure above. As a result of the freeze, the price for avocados will be _____ than the current equilibrium price and the equilibrium quantity of avocados will be _____ than the current equilibrium quantity. 199) _____
A) greater; less B) less; less C) greater; greater D) less; greater

200) Refer to the figure above. As a result of what occurs in the avocado market, your firm should expect costs to _____, which will cause your firm to _____ supply of ready–made guacamole. 200) _____
A) decrease; increase B) decrease; decrease
C) increase; increase D) increase; decrease

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201) Refer to the figure above. As a result of what occurs in the avocado market, which of the following could benefit your firm? 201) _____

A) Shift more resources into making ready–made guacamole.
B) Consider methods to increase the amount of avocados needed per container of ready–made guacamole.
C) Explore methods to incorporate more avocados into other products that your firm produces.
D) Explore options to purchase avocados from other sellers located in a different region of the world.



You are a farmer who raises chickens and sells the eggs. A recent news report announced that eggs have a positive health ben improving immunity systems in humans.

202) Refer to the figure above. As a result of the news report, the _____ curve will shift to the _____. 202) _____

A) demand; right B) supply; right C) demand; left D) supply; left

203) Refer to the figure above. As a result of the news report, the price of eggs will be _____ than the current equilibrium price and the equilibrium quantity of eggs will be _____ than the current equilibrium quantity. 203) _____

A) greater; greater B) less; greater C) greater; less D) less; less

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204) Refer to the figure above. As a result of news report, which of the following could benefit your firm? 204) _____
A) Consider approaches to decrease egg production at your farm.
B) Shift resources away from egg production.
C) Consider approaches to increase egg production at your farm.
D) Explore options to sell your chickens.

205) Refer to the figure above. Suppose that at the same time as the news report, you learn that the cost to feed your chickens has fallen. The news report and the change in feed cost will shift the demand curve to the _____ and the supply curve to the _____. 205) _____
A) right; left B) left; right C) right; right D) left; left

206) Refer to the figure above. Suppose that at the same time as the news report, you learn that the cost to feed your chickens has fallen. The news report and the change in feed cost will _____. 206) _____
A) decrease the equilibrium price of eggs, but more information is needed to determine the effect on the equilibrium quantity
B) increase the equilibrium quantity of eggs, but more information is needed to determine the effect on the equilibrium price
C) increase the equilibrium price of eggs, but more information is needed to determine the effect on the equilibrium quantity
D) decrease the equilibrium quantity of eggs, but more information is needed to determine the effect on the equilibrium price

207) The demand and supply model can help managers do all of the following except _____. 207) _____
A) predict changes in the price of their product
B) predict changes in the cost to produce their product
C) increase efficiency in assembly lines
D) increase their firm's profitability

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

208) The demand and supply model gives managers the opportunity to forecast changes in their production costs and the equilibrium price of their product. 208) _____

209) If you manage a trucking company that transports lumber and the future price of oil is expected to rise, you should anticipate a decrease in market price to transport lumber. 209) _____

210) The demand and supply model can help managers increase their firm's profitability. 210) _____

211) If the demand for your firm's product is expected to increase, you should anticipate a drop in the price you are currently receiving for your product. 211) _____

212) If the demand for your firm's product is expected to decrease, you should anticipate a drop in the price you are currently receiving for your product. 212) _____

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1) A
2) B
3) B
4) A
5) C
6) D
7) A
8) B
9) C
10) A
11) B
12) A
13) D
14) A
15) A
16) C
17) B
18) B
19) C
20) D
21) D
22) D
23) A
24) B
25) C
26) FALSE
27) FALSE
28) TRUE
29) FALSE
30) TRUE
31) C
32) B
33) D
34) D
35) A
36) C
37) B
38) C
39) A
40) C
41) A
42) C
43) A
44) A
45) A
46) B
47) A
48) B
49) D
50) B

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51) A
52) A
53) A
54) D
55) D
56) TRUE
57) TRUE
58) TRUE
59) FALSE
60) FALSE
61) D
62) C
63) A
64) C
65) C
66) A
67) D
68) D
69) A
70) C
71) B
72) D
73) A
74) D
75) D
76) D
77) B
78) B
79) B
80) A
81) C
82) D
83) B
84) A
85) D
86) FALSE
87) TRUE
88) TRUE
89) TRUE
90) TRUE
91) A
92) B
93) A
94) B
95) C
96) A
97) C
98) B
99) B
100) D

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101) A
102) D
103) C
104) B
105) D
106) C
107) D
108) A
109) B
110) D
111) D
112) B
113) A
114) D
115) B
116) TRUE
117) FALSE
118) TRUE
119) FALSE
120) TRUE
121) D
122) D
123) B
124) B
125) C
126) A
127) C
128) B
129) C
130) A
131) A
132) A
133) D
134) A
135) C
136) D
137) B
138) C
139) A
140) D
141) A
142) B
143) B
144) D
145) A
146) FALSE
147) TRUE
148) TRUE
149) FALSE
150) FALSE

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151) D
152) D
153) D
154) A
155) A
156) D
157) D
158) B
159) C
160) A
161) A
162) A
163) A
164) C
165) C
166) A
167) D
168) B
169) C
170) B
171) D
172) A
173) D
174) A
175) C
176) A
177) B
178) C
179) FALSE
180) FALSE
181) TRUE
182) FALSE
183) A
184) A
185) B
186) C
187) A
188) D
189) C
190) A
191) D
192) D
193) A
194) D
195) A
196) A
197) D
198) D
199) A
200) D

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201) D
202) A
203) A
204) C
205) C
206) B
207) C
208) TRUE
209) FALSE
210) TRUE
211) FALSE
212) TRUE

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