

Quiz 1 - ECN 104 (061)

Prof. Nazanin Behzadan

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

- 1) The slope of a line parallel to the vertical axis is: 1) _____
A) one. B) zero. C) one-half. D) infinite.
- 2) Slope of lines are especially important in economics because: 2) _____
A) they always tell us something about profits.
B) they always relate to resource and output scarcity.
C) positive slopes are always preferred to negative slopes.
D) they measure marginal changes.
- 3) If the equation $y = 15 - 4x$ was plotted, the: 3) _____
A) vertical intercept would be -4. B) slope would be -4.
C) vertical intercept would be +4. D) vertical intercept would be +9.
- 4) If price (P) and quantity (Q) are directly related, this means that: 4) _____
A) if P increases, Q will also increase.
B) an increase in P will cause Q to change, but the direction in which Q changes cannot be predicted.
C) if P increases, Q will decrease.
D) a change in Q will alter P, but a change in P will not alter Q.
- 5) Any point inside the production possibilities curve indicates: 5) _____
A) that resources are imperfectly shiftable among alternative uses.
B) that more output could be produced with available resources.
C) the presence of inflationary pressures.
D) the realization of allocative efficiency.

Answer Key

Testname: QUIZ1

1) D

2) D

3) B

4) A

5) B