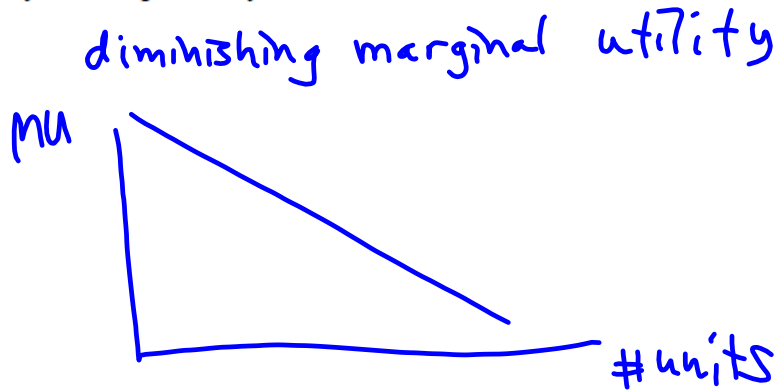


1.	ANS: A	PTS: 1	DIF: E	REF: Module 51/15
	MSC: Definitional			
2.	ANS: D	PTS: 1	DIF: M	REF: Module 51/15
	MSC: Concept-Based			
3.	ANS: E	PTS: 1	DIF: M	REF: Module 51/15
	MSC: Concept-Based			
4.	ANS: E	PTS: 1	DIF: M	REF: Module 51/15
	MSC: Critical Thinking			
5.	ANS: A	PTS: 1	DIF: E	REF: Module 51/15
	MSC: Fact-Based			
6.	ANS: E	PTS: 1	DIF: D	REF: Module 51/15
	MSC: Concept-Based			
7.	ANS: A	PTS: 1	DIF: E	REF: Module 51/15
	MSC: Fact-Based			
8.	ANS: C	PTS: 1	DIF: M	REF: Module 51/15
	MSC: Critical Thinking			
9.	ANS: A	PTS: 1	DIF: M	REF: Module 51/15
	MSC: Analytical Thinking			
10.	ANS: D	PTS: 1	DIF: M	REF: Module 52/16
	MSC: Concept-Based			
11.	ANS: E	PTS: 1	DIF: M	REF: Module 52/16
	MSC: Analytical Thinking			
12.	ANS: B	PTS: 1	DIF: M	REF: Module 53/17
	MSC: Analytical Thinking			
13.	ANS: C	PTS: 1	DIF: M	REF: Module 53/17
	MSC: Critical Thinking			
14.	ANS: B	PTS: 1	DIF: E	REF: Module 53/17
	MSC: Critical Thinking			
15.	ANS: E	PTS: 1	DIF: M	REF: Module 53/17
	MSC: Critical Thinking			

- ___ 4. Chuck spends all his income on two goods: tacos and milkshakes. His income is \$100, the price of tacos is \$10, and the price of milkshakes is \$2. If Chuck purchases 10 milkshakes, he can purchase _____ tacos.
- 0
 - 18
 - 10
 - 50
 - 8

- ___ 10. If economic profit for a firm is negative:
- accounting profit must also be negative.
 - the firm will not owe any taxes to the government.
 - the firm is earning a normal profit.
 - the firm should exit the industry.
 - the firm should stay in business so long as accounting profit is positive.
- long term

6. If a consumer buys more of Good X and less of Good Y, the _____ of Good X will _____, and the _____ of Good Y will _____.
- a. total utility; rise; total utility; rise
 - b. marginal utility; rise; total utility; rise
 - c. total utility; fall; marginal utility; rise
 - d. marginal utility; rise; marginal utility; fall
 - e. marginal utility; fall; marginal utility; rise



11. Suppose a local floral shop has explicit costs of \$200,000 per year and implicit costs of \$50,000 per year. If the store earned an economic profit of \$50,000 last year, this means that the store's accounting profit equaled:
- a. \$150,000.
 - b. \$10,000.
 - c. \$200,000.
 - d. \$50,000.
 - e. \$100,000.

$$\begin{array}{r}
 \text{Rev} \\
 - \text{E.C.} \\
 \hline
 \text{A.P.} \quad 100 \\
 - \text{I.C.} \quad 50 \\
 \hline
 \text{E.P.} \quad 50
 \end{array}$$

(opp cost)

\$11 #1
+ 11 #2
13 #3
16 #4

\$51 total
first 4

Figure 53-1: Marginal Cost Curve

