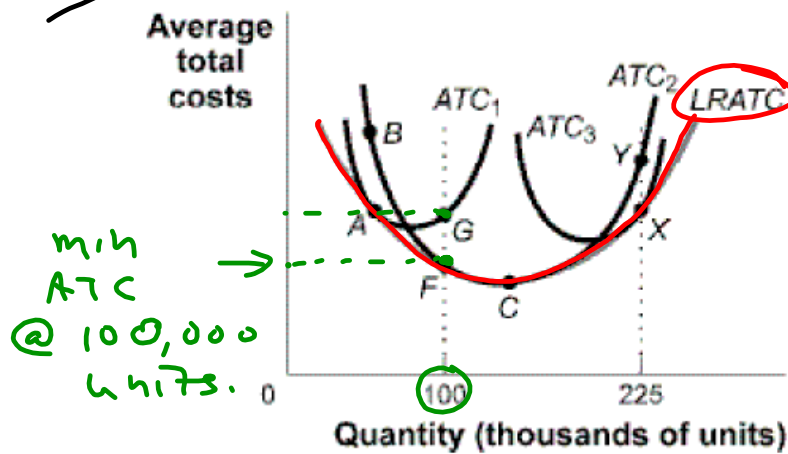


1. ANS: B PTS: 1 DIF: E REF: Module 56/20
MSC: Concept-Based
2. ANS: C PTS: 1 DIF: M REF: Module 57/21
MSC: Fact-Based
3. ANS: E PTS: 1 DIF: E REF: Module 57/21
MSC: Definitional
4. ANS: E PTS: 1 DIF: M REF: Module 57/21
MSC: Fact-Based
5. ANS: B PTS: 1 DIF: E REF: Module 57/21
MSC: Definitional
6. ANS: D PTS: 1 DIF: M REF: Module 56/20
MSC: Concept-Based
7. ANS: B PTS: 1 DIF: M REF: Module 56/20
MSC: Fact-Based
8. ANS: B PTS: 1 DIF: E REF: Module 57/21
MSC: Definitional

9. ANS: B PTS: 1 DIF: M REF: Module 57/21
MSC: Concept-Based
10. ANS: E PTS: 1 DIF: M REF: Module 57/21
MSC: Definitional
11. ANS: B PTS: 1 DIF: M REF: Module 56/20
MSC: Definitional
12. ANS: A PTS: 1 DIF: M REF: Module 57/21
MSC: Critical Thinking
13. ANS: A PTS: 1 DIF: M REF: Module 56/20
MSC: Critical Thinking
14. ANS: B PTS: 1 DIF: E REF: Module 57/21
MSC: Definitional
15. ANS: D PTS: 1 DIF: M REF: Module 57/21
MSC: Concept-Based

#6 Figure 56-2: Cost Curves



Topic: Network externalities
 Example: PC software market.

'80s: IBM PC dominated
 microcomputer market.
 and Microsoft dominated
 IBM PC software
 market.

This was a growing
 market.

Network externality was: as
 market grow, people
 continued to purchase
 MS software because
 that's what everyone
 knew how to use.