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|--------------------------|--------|--------|-------------------|
| 1. ANS: C | PTS: 1 | DIF: D | REF: Module 71/35 |
| MSC: Critical Thinking | | | |
| 2. ANS: B | PTS: 1 | DIF: D | REF: Module 71/35 |
| MSC: Critical Thinking | | | |
| 3. ANS: C | PTS: 1 | DIF: M | REF: Module 71/35 |
| MSC: Critical Thinking | | | |
| 4. ANS: C | PTS: 1 | DIF: M | REF: Module 71/35 |
| MSC: Critical Thinking | | | |
| 5. ANS: A | PTS: 1 | DIF: E | REF: Module 71/35 |
| MSC: Concept-Based | | | |
| 6. ANS: A | PTS: 1 | DIF: M | REF: Module 71/35 |
| MSC: Critical Thinking | | | |
| 7. ANS: E | PTS: 1 | DIF: M | REF: Module 72/36 |
| MSC: Concept-Based | | | |
| 8. ANS: E | PTS: 1 | DIF: M | REF: Module 72/36 |
| MSC: Analytical Thinking | | | |
| 9. ANS: A | PTS: 1 | DIF: M | REF: Module 72/36 |
| MSC: Analytical Thinking | | | |
| 10. ANS: D | PTS: 1 | DIF: M | REF: Module 72/36 |
| MSC: Concept-Based | | | |
| 11. ANS: D | PTS: 1 | DIF: M | REF: Module 72/36 |
| MSC: Analytical Thinking | | | |

Figure 71-1: Equilibrium in the Labor Mark

#1 D ↑
#2 S ↓



#7 cost-min criterion

$$\frac{MP_A}{P_A} = \frac{MP_B}{P_B} \left(= \frac{MP_C}{P_C} \right)$$

#10

In broad sense, all factors of production are somewhat substitutable for each other.

Module 73:

income distribution

- marginal productivity theory
- efficiency wages - offering higher wage to motivate and keep employees
- unions - use power to get higher wages and benefits
- discrimination

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