

**ECO401 – Economics
Online Quiz**

Question # 1 of 10 (Start time: 10:19:18 PM) Total Marks: 1

The cross elasticity of demand of complements goods is:
Select correct option:

Less than 0. (page 21)

Equal to 0.

Greater than 0.

Between 0 and 1.

Question # 2 of 10 (Start time: 10:20:47 PM) Total Marks: 1

The oligopoly model that predicts that oligopoly prices will tend to be very rigid is the _____ model.

Select correct option:

Cournot

Stackelberg

Dominant firm

kinked demand

Question # 3 of 10 (Start time: 10:21:48 PM) Total Marks: 1

The law of diminishing marginal utility states:

Select correct option:

The supply curve slopes upward.

Your utility grows at a slower and slower rate as you consume more and more units of a good.

The elasticity of demand is infinite.

None of the given options.

Question # 4 of 10 (Start time: 10:23:02 PM) Total Marks: 1

If the income elasticity of demand is $1/2$, the good is:

Select correct option:

A luxury.

A normal good (but not a luxury).

An inferior good.

A Giffen good.

Question # 5 of 10 (Start time: 10:23:15 PM) Total Marks: 1

The point at which AC intersects MC is where:

Select correct option:

AC is decreasing.

MC is at its minimum.

AC is at its minimum.

AC is at its maximum.

Question # 6 of 10 (Start time: 10:23:39 PM) Total Marks: 1

Which of the following can be thought of as a barrier to entry?

Select correct option:

Scale economies.

Patents.

Strategic actions by incumbent firms.

All of the given options are true.

Question # 7 of 10 (Start time: 10:24:53 PM) Total Marks: 1

If marginal product is equal to average product:

Select correct option:

The total product will fall

The average product will not change

Average variable costs will fall (not sure)

Total revenue will fall

Question # 8 of 10 (Start time: 10:26:13 PM) Total Marks: 1

When oligopolists collude, they are able to:

Select correct option:

Raise price, but not restrict output

Raise price and restrict output, but not attain the monopoly profit

Raise price and restrict output, and therefore attain the monopoly profit

Restrict output, but not raise price

Question # 9 of 10 (Start time: 10:27:28 PM) Total Marks: 1

If marginal product is above the average product:

Select correct option:

The total product will fall

The average product will rise

Average variable costs will fall

Total revenue will fall

Question # 10 of 10 (Start time: 10:28:02 PM) Total Marks: 1

In a production process, all inputs are increased by 10%; but output increases more than 10%. This means that the firm experiences:

Select correct option:

Decreasing returns to scale.

Constant returns to scale.

Increasing returns to scale.

Negative returns to scale.