UZC2 Global Economics for Managers Version 1

Section: Economics • **Total Questions:** 10 • **Format:** Verified Q&A

1. What are common types of barriers to entry that can cause a monopoly? Choose two.

(A) Economics of scale in the production process
(B) A firm purchasing competitors
(C) Government regulations prohibiting foreign investments in domestic firms
(D) Government regulations granting exclusive production rights to single firms
(E) Employee unions
(F) Elastic demand curves

2. Which scenario demonstrates a monopoly created by a single-owned resource?

(A) A bridge is so infrequently used that it is rarely congested and therefore there is a large fixed cost of building the bridge but a negligible marginal cost of additional users.
(B) An author copyrights a new book.
(C) A new rare jewel is found and only one mine in the world has it.
(D) An inventor creates and copyrights the code for a new piece of software

3. Watch phrase best describes property rights?

(A) The legal rights regarding the use of an exclusive, relatable and for deleting income and benefits from it.
(B) The legal rights awarded by government authorities to members of new products or processes
(C) The exclusive legal rights of authors and subsidiaries to publish and disseminate their works
(D) The exclusive legal rights of firms to our specific, named, literate, and delegate to differentiate their products from others

4. An important is implemented on furniture. What is the effect on consumer surplus for furniture?

(A) It does not change.
(B) It decreases.
(C) It changes depending on market conditions.
(D) It increases.

5. When there is an expectation of lower income in the future, what is the effect on the demand curve of a normal good?

(A) The demand curve shifts down.
(B) The demand curve shifts right.
(C) The demand curve shifts up.
(D) The demand curve shifts left.

---

6. If the demand for a good is elastic, what is true?

(A) The quantity demanded responds only slightly to changes in the price.
(B) The quantity demanded responds substantially to changes in the price.
(C) Total revenue increases with a change in price in either direction.
(D) Price and total revenue move in the same direction.

---

7. When supply decreases and demand stays the same, what happens to the equilibrium point of price and quantity? Choose 2 answers.

(A) Quantity remains the same.
(B) Price remains the same.
(C) Quantity increases.
(D) Price increases.
(E) Quantity decreases.
(F) Price decreases.

---

8. What is true about tariffs?

(A) They increase the domestic quantity demanded.
(B) They increase the quantity of imports.
(C) They lower the price of affected imported goods below the world price.
(D) They encourage consumers to reduce their consumption.

---

9. Which is an equity mode?

(A) Indirect exports
(B) Licensing
(C) 50/50 joint ventures
(D) Franchising

---

10. Cash that do not vary with output quantity distinct by the quantity of output is best described by which issue?

(A) Total cost

(B) Average 'best' cost

(C) Marginal cost

(D) Average variable cost