UZC2 Global Economics for Managers Version 2

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

1. What are characteristics of a market economy? Choose two.

(A) It was first noted by Adam Smith in The Wealth of Nations in 1776.
(B) It found a near ideal in China and the former Soviet Union during the heydays of communism.
(C) It is characterized by the invisible hand of market forces.
(D) It is defined by a government taking the authoritative role in the economy.
(E) supply, demand and pricing are planned by the government
(F) factors of production are government owned or state owned

2. Barriers to entry help to create monopolies. What is a common type of barrier?

(A) Economies of scale in the production process
(B) A firm purchasing competitors
(C) Progressive tax structures
(D) Elastic demand curves

3. Which statements concerning property rights are true? Choose two.

(A) Protection of property rights is commonly recognized as a major factor in allowing developing countries to make gains toward economic progress.
(B) Property rights are the legal rights regarding the use of an economic resource and for deriving income and benefits from it.
(C) The developing world has been able to facilitate economic growth even without securing property rights.
(D) The primary purpose of establishing property rights is to provide economic benefit to society as a whole.
(E) insecure property right bode well in global competition, where leading firms reap benefits from economies of scale capital intensive technologies and sustained investment in R&D.
(F) property rights results in using technologies that employ little fixed capital and do not entail long term investment.

4. In which situation is the contender strategy appropriate for responding to MNEs?

(A) There is low industry pressure to globalize and competitive assets are customized to home markets
(B) There is high industry pressure to globalize and competitive assets are customized to home markets
(C) There is high industry pressure to globalize and competitive assets are transferable abroad
(D) There is low industry pressure to globalize and competitive assets are transferable abroad

5. What is one example of something a copyright is used to protect?

(A) The name of a brand
(B) The shape of a new invention
(C) The content of a book
(D) The design of a logo

---

6. What is the profit maximization condition for a monopoly?

(A) When marginal revenue equals marginal cost
(B) When marginal cost is minimized
(C) When total revenues are maximized
(D) When price equals marginal cost

---

7. What is a form? Faced out impacts that are nothing below costs in order to unfairly drive domestic firms out of themselves?

(A) Deadweight cost
(B) Antidumping duty
(C) Factor endowment
(D) Opportunity cost

---

8. What are the features that are shared by monopolies, monopolistic competition, and perfect competition? Choose two

(A) Maximum profit occurs when marginal revenue equals marginal cost.
(B) In the long run, new firms can easily enter the market.
(C) The firm(s) can earn economic profits in the short run.
(D) The structure does not produce welfare-maximizing level of output.
(E) The price of a unit is greater than the marginal cost.
(F) In the long run, it is nearly impossible for new firms to enter.

---

9. What is one characteristic of a market shortage?

(A) The quantity demanded is less than the equilibrium quantity.
(B) Price is greater than equilibrium price.
(C) The quantity supplied is less than the equilibrium quantity.
(D) There is downward pressure on the price.

---

10. What is one characteristic of a market shortage?

(A) The quantity demanded is less than the equilibrium quantity.

(B) The quantity supplied is less than the equilibrium quantity.

(C) There is downward pressure on the price.

(D) Price is greater than equilibrium price.