Package Title: Clickers

Course Title: Boone, Kurtz, Khan, Canzer, Contemporary Business, Third Canadian Edition

Chapter Number: 03

Question type: Multiple Choice

1) \_\_\_\_\_\_\_\_\_\_typically slope downward, meaning that lower and lower prices attract larger and larger purchases.

a) Demand curves

b) Supply curves

c) Equilibrium levels

d) Market prices

Answer: a

2) The willingness and ability of buyers to purchase goods and services at different prices is called

a) Demand.

b) Supply.

c) An economic system.

d) Owners rights.

Answer: a

3) Of the four basic types of competition that take shape in a private enterprise system, which one of the following is characterized by *no* direct competition?

a) Pure competition

b) Monopoly

c) Oligopoly

d) Monopolistic competition

Answer: b

4) The four basic types of competition that take shape in a private enterprise system are:

a) Macroeconomics, microeconomics monopoly, and capitalism.

b) Socialism, democracy, communism, and capitalism.

c) Pure competition, monopolistic competition, oligopoly, and monopoly.

d) Recession, depression, inflation, and deflation.

Answer: c

5) Which one of the following statements concerning the supply curve is correct?

a) A supply curve shows the relationship between different prices and the amount of goods that sellers will offer for sale at those prices, *regardless of demand*

b) As price rises, the quantity that sellers are willing to supply decreases

c) At lower prices, the quantity that sellers are willing to supply increases

d) A change in the cost of availability of any inputs will have no discernible impact on the supply curve

Answer: a

6) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_applies to members of the workforce who are temporarily not working but are looking for jobs.

a) Seasonal unemployment

b) Cyclical unemployment

c) Unemployment

d) Frictional unemployment

Answer: d

7) Which one of the following changes does **not** cause a shift in the demand curve?

a) An increase in the price of a good such as, for example, gasoline

b) An increase in household income

c) A decrease in household income

d) An increase in the price of substitute goods

Answer: a

8) Excess consumer demand creates:

a) Demand-pull inflation

b) Cost-push inflation

c) Hyperinflation

d) Deflation

Answer: a

9) \_\_\_\_\_\_\_\_\_\_reduces the money supply to curb rising prices, overexpansion, and concerns about overly rapid economic growth.

a) Expansionary monetary policy

b) Restrictive monetary policy

c) Monetary policy

d) Fiscal policy

Answer: b

10) When the government makes decisions about taxes and spending, it is applying:

a) Fiscal policy

b) Monetary policy

c) Structural policy

d) Frictional policy

Answer: a

11) An economic system where the government owns and operates the major industries is referred to as:

a) Socialism

b) Regulated Capitalism

c) Communism

d) Mixed market economy

Answer: a

12) Recession is a cycle of economic contraction that lasts for:

a) One month

b) Two months

c) Five months

d) Six months or longer

Answer: d

13) According to Statistics Canada, which one of the following categories represents the largest percentage of the “market basket” in the Consumer Price Index?

a) Food

b) Shelter

c) Transportation

d) Clothing and footwear

Answer: b

14) Which one of the following statements about a government’s decision to reduce the money supply is INCORRECT?

a) This would represent a restrictive monetary policy

b) Economic growth would be slowed

c) The rate of rising prices would be slowed

d) The cost of borrowing would decrease

Answer: d

15) Which one of the following is NOT cited by the text book as a key global economic challenge:

a) International terrorism

b) The shift to a global information economy

c) The aging of the world’s population

d) Increasingly complex corporate social responsibility

Answer: d