ALASKA ECONOMICS · UNIT 1

# Microeconomics — Practice Test

**Alaska Economics • 10 questions**

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button so it can be fixed.

1 **A tax is placed on a good with inelastic demand. Who bears most of the tax burden?**

- A Buyers
- B Sellers
- C The government
- D Foreign producers

Understand It with Pulse | Flag a mistake

2 **A government subsidy to producers of a good will most likely**

- A Shift supply right
- B Shift supply left
- C Raise the price paid by buyers
- D Reduce quantity sold

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3 **An import quota limits the quantity of a good that can be imported. What happens to the domestic price?**

- A It falls
- B It stays the same
- C It rises
- D It becomes zero

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4 **A minimum wage is set above the equilibrium wage. What labor market outcome is most likely?**

- A A shortage of workers
- B A surplus of workers
- C No change
- D Equilibrium

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5 **Which market structure has many firms selling differentiated products?**

- A Perfect competition
- B Monopoly
- C Oligopoly
- D Monopolistic competition

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6 **In an oligopoly, firms are best described as**

A Price takers

B Interdependent

C Independent

D Identical

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7 **A firm should shut down in the short run when price falls below**

A Average total cost

B Marginal cost

C Average variable cost

D Total revenue

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8 **The tragedy of the commons describes a shared fishing ground that is**

A Underused because no one owns it

B Protected by high prices

C Used only by one firm

D Overused because no one owns it

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9 **Total revenue is 600 when 20 units are sold and 630 when 21 units are sold. What is the marginal revenue of the 21st unit?**

ANSWER _____

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10 **A worker can catch 6 salmon or gather 12 baskets of berries in one day. What is the opportunity cost of one salmon, in baskets?**

ANSWER _____

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# ANSWER KEY

1. A
2. A
3. C
4. B
5. D
6. B
7. C
8. D
9. 30
10. 2

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