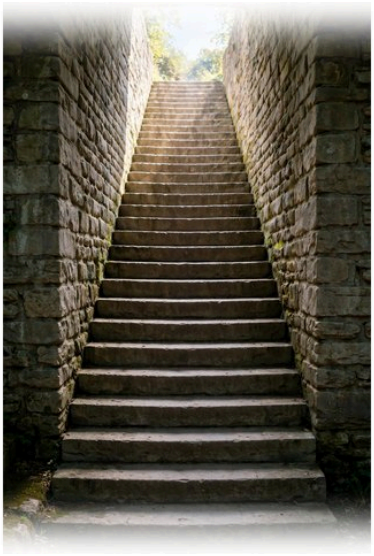
FLORIDA ECONOMICS WITH FINANCIAL LITERACY · UNIT 1 · 10 QUESTIONS

Microeconomics — Practice Test

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 to let Brett know so he can fix it.

1

A firm has fixed costs of 200. It sells each unit for 20 and its variable cost per unit is 10. How many units must it sell to break even?



ANSWER

Understand It with Pulse

Flag a mistake

2 **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

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

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

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4 **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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5 **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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6 **Which market structure has many firms selling differentiated products?**

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

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

A Price takers

B Interdependent

C Independent

D Identical

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8 **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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9 **Monthly income is 2000 dollars and planned spending is 1800 dollars How much is left to save**

ANSWER _____

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10 **Total revenue is 400 when 10 units are sold and 440 when 11 units are sold. What is the marginal revenue of the 11th unit?**

ANSWER _____

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. 20
2. A
3. C
4. C
5. B
6. D
7. B
8. C
9. 200
10. 40

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