VIRGINIA ECONOMICS · UNIT 1

Microeconomics — Practice Test

Virginia 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 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 2800 dollars and planned spending is 2350 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 _____

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ANSWER KEY

1. 20
2. A
3. C
4. C
5. B
6. D
7. B
8. C
9. 450
10. 40

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