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EVALUATION QUESTIONNAIRE

BLOCK 2: MICROCONOMICS

1. What happens when a price ceiling is set below the equilibrium price?

a) Surplus of godos

b) Shortage of goods

c) No effect on the market

d) Increase in supply

2. Which of the following is a factor that influences supply?

a) Consumer preferences

b) Population size

c) Production costs

d) Consumer income

3. What is the law of diminishing marginal utility?

a) Utility increases as more units of a good are consumed

b) Utility decreases with each additional unit consumed

c) Utility stays the same with each additional unit consumed

d) Utility increases indefinitely

4. In the long run, firms in a perfectly competitive market will

a) Earn economic profits

b) Dominate the market

c) Suffer from losses

d) Earn normal profits

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5. **What is the difference between fixed and variable costs?**

a) Fixed costs change with output, variable costs do not

b) Variable costs change with output, fixed costs do not

c) Both change with output

d) Neither changes with output

6. **Which market structure is characterized by a single seller dominating the market?**

a) Perfect competition

b) Oligopoly

c) Monopoly

d) Monopolistic competition

7. **Which of the following best describes producer theory?**

a) It examines how firms make decisions about resource allocation to maximize profit

b) It studies how consumers make choices

c) It explores how government policies impact markets

d) It focuses on demand and consumer preferences

8. **What does the indifference curve represent?**

a) The maximum amount of goods a consumer can buy

b) Combinations of goods that provide equal satisfaction to a consumer

c) The cost of producing godos

d) The revenue generated from selling goods

9. **What happens to the supply curve when a new technology improves production efficiency?**

a) The supply curve shifts to the left

b) The supply curve becomes vertical

c) The supply curve remains unchanged

d) The supply curve shifts to the right

10. Which of the following is an example of a variable cost?

a) Rent

b) Salaries of permanent staff

c) Raw materials

d) Insurance premiums

11. In monopolistic competition, firms can differentiate their products by

a) Price only

b) Quality, branding, or other features

c) Producing identical products

d) Offering the lowest prices

12. What is consumer surplus?

a) The amount of goods consumers buy at a higher Price

b) The difference between what consumers are willing to pay and what they actually pay

c) The total revenue received by firms

d) The amount of goods left unsold

13. Which of the following is an outcome of oligopoly?

a) Firms act independently of each other

b) Firms engage in strategic behavior and consider rivals' reactions

c) Many small firms dominate the market

d) Prices are always set by the government

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14.What is the marginal cost?

a) The total cost of production

b) The fixed cost of production

c) The average cost per unit of output

d) The additional cost of producing one more unit of output

15.The concept of income distribution examines

a) How wealth is shared among individuals and households in an economy

b) How much wealth is generated by businesses

c) The total GDP of a country

d) The amount of goods produced in an economy

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BLOCK 2: MICROCONOMICS

1. B
2. C
3. B
4. D
5. B
6. C
7. A
8. B
9. D
10. C
11. B
12. B
13. B
14. D
15. A

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