

Introduction to Microeconomics Concepts

Microeconomics · Answer Key · 20 Questions

1. What is the term for the amount of a good or service that producers are willing and able to sell at a certain price?

- A) Demand
- B) Supply**
- C) Equilibrium
- D) Scarcity

2. When the price of a good goes up, what usually happens to the quantity demanded of that good?

- A) It increases
- B) It decreases**
- C) It stays the same
- D) It becomes zero

3. What does the term 'scarcity' mean in economics?

- A) There is too much of everything
- B) There are unlimited wants and limited resources**
- C) Resources are distributed equally
- D) Prices are always high

4. What is the main goal of a business?

- A) To reduce costs as much as possible
- B) To make a profit**
- C) To employ as many people as possible
- D) To satisfy customer complaints

5. What is the price at which the quantity demanded equals the quantity supplied called?

- A) Market price
- B) Surplus price
- C) Equilibrium price**
- D) High price

6. When the price of a good goes down, what usually happens to the quantity supplied of that good?

- A) It increases
- B) It decreases**
- C) It stays the same
- D) It becomes infinite

7. What is a 'consumer'?

- A) Someone who produces goods
- B) Someone who sells goods
- C) Someone who buys and uses goods and services**
- D) Someone who owns a business

8. What is a 'producer'?

- A) Someone who buys goods
- B) Someone who consumes goods
- C) Someone who makes or provides goods and services**
- D) Someone who saves money

9. If there is a shortage of a product, what is likely to happen to its price?

- A) It will decrease
- B) It will stay the same
- C) It will increase**
- D) It will become free

10. What is 'opportunity cost'?

- A) The price of a good
- B) The cost of producing a good
- C) The value of the next best alternative that must be forgone**
- D) The total amount of money spent

11. What is a 'market' in economics?

- A) A place where people work
- B) A place where goods and services are exchanged**
- C) A type of government
- D) A large building with many shops

12. What is the main factor that influences how much of a good people want to buy?

- A) The number of producers
- B) The cost of production
- C) The price of the good**
- D) The weather

13. If the supply of apples decreases, but the demand stays the same, what will likely happen to the price of apples?

- A) The price will decrease
- B) The price will stay the same
- C) The price will increase**
- D) Apples will become free

14. What is a 'need' in economics?

A) Something people want but do not require to survive

B) Something essential for survival

C) A luxury item

D) A service provided by the government

15. What is a 'want' in economics?

A) Something essential for survival

B) Something people desire but is not essential

C) A basic necessity

D) A resource that is not scarce

16. What does 'competition' mean in a market?

A) Businesses working together to set prices

B) Multiple sellers trying to attract buyers

C) Buyers competing for limited goods

D) The government controlling prices

17. What is a 'resource' in economics?

A) A product that is sold

B) Anything used to produce goods or services

C) A type of advertisement

D) A customer's wish list

18. If the demand for a product increases, while supply stays the same, what will likely happen to the price?

A) The price will decrease

B) The price will stay the same

C) The price will increase

D) The product will become unavailable

19. What is a 'good' in economics?

A) A service provided by a person

B) A tangible item that satisfies a want or need

C) An idea or concept

D) A financial investment

20. What is a 'service' in economics?

A) A physical product

B) An action or activity performed for others

C) A natural resource

D) A form of currency