

Midterm 2

Answer Section

MULTIPLE CHOICE

1. ANS: D DIF: 1 REF: 6-1 TOP: Price floors
MSC: Definitional
2. ANS: B DIF: 2 REF: 6-1 TOP: Price ceilings
MSC: Interpretive
3. ANS: D DIF: 2 REF: 6-1 TOP: Price ceilings
MSC: Applicative
4. ANS: D DIF: 3 REF: 6-1 TOP: Price ceilings
MSC: Applicative
5. ANS: A DIF: 2 REF: 6-2 TOP: Tax, Demand curve
MSC: Interpretive
6. ANS: A DIF: 2 REF: 6-2 TOP: Tax
MSC: Applicative
7. ANS: A DIF: 2 REF: 6-2 TOP: Tax burden
MSC: Applicative
8. ANS: C DIF: 3 REF: 6-2 MSC: Analytical
TOP: Tax, Equilibrium price, Equilibrium quantity
9. ANS: A DIF: 2 REF: 6-2 TOP: Tax, Elasticity
MSC: Applicative
10. ANS: C DIF: 2 REF: 7-0 MSC: Interpretive
TOP: Economic welfare, Equilibrium price
11. ANS: B DIF: 2 REF: 7-1 TOP: Consumer surplus
MSC: Definitional
12. ANS: A DIF: 2 REF: 7-1 TOP: Consumer surplus
MSC: Applicative
13. ANS: C DIF: 2 REF: 7-1 TOP: Price, Value
MSC: Interpretive
14. ANS: B DIF: 2 REF: 7-1 TOP: Consumer surplus
MSC: Interpretive
15. ANS: D DIF: 2 REF: 7-1 TOP: Price, Value
MSC: Interpretive
16. ANS: B DIF: 2 REF: 7-1 TOP: Consumer surplus
MSC: Applicative
17. ANS: B DIF: 2 REF: 7-2 TOP: Producer surplus
MSC: Interpretive
18. ANS: A DIF: 2 REF: 7-2 TOP: Producer surplus
MSC: Applicative
19. ANS: C DIF: 2 REF: 7-2 TOP: Opportunity cost
MSC: Applicative
20. ANS: C DIF: 1 REF: 7-3 TOP: Efficiency
MSC: Interpretive

21. ANS: B DIF: 2 REF: 8-1 TOP: Tax, Prices
MSC: Interpretive
22. ANS: D DIF: 2 REF: 8-1 TOP: Tax incidence
MSC: Applicative
23. ANS: B DIF: 3 REF: 8-1
TOP: Consumer surplus, Producer surplus, Deadweight losses MSC: Analytical
24. ANS: D DIF: 2 REF: 8-1 TOP: Deadweight losses
MSC: Interpretive
25. ANS: D DIF: 1 REF: 9-1 TOP: Price, World trade
MSC: Definitional
26. ANS: C DIF: 2 REF: 9-1 TOP: Comparative advantage, Prices
MSC: Applicative
27. ANS: C DIF: 2 REF: 9-2 TOP: Exports, Economic welfare
MSC: Applicative
28. ANS: D DIF: 2 REF: 9-2 TOP: Exports, Comparative advantage
MSC: Applicative
29. ANS: D DIF: 2 REF: 9-2 TOP: Imports
MSC: Applicative
30. ANS: B DIF: 2 REF: 9-2 TOP: Producer surplus
MSC: Applicative
31. ANS: D DIF: 2 REF: 9-2 TOP: Imports, Prices
MSC: Applicative
32. ANS: A DIF: 2 REF: 9-2 TOP: Trade, Producer surplus
MSC: Applicative
33. ANS: B DIF: 2 REF: 9-2 TOP: Trade, Total surplus
MSC: Applicative
34. ANS: A DIF: 2 REF: 9-2 TOP: Tariffs
MSC: Interpretive
35. ANS: C DIF: 1 REF: 9-3 TOP: Trade policy
MSC: Interpretive
36. ANS: B DIF: 1 REF: 9-3 TOP: Trade policy
MSC: Definitional
37. ANS: D DIF: 3 REF: 8-3 TOP: Deadweight losses
MSC: Analytical
38. ANS: C DIF: 2 REF: 8-3 TOP: Laffer curve
MSC: Applicative
39. ANS: C DIF: 2 REF: 8-3 TOP: Deadweight losses
MSC: Applicative
40. ANS: D DIF: 1 REF: 9-0
TOP: International trade, Comparative advantage MSC: Interpretive