

Econ Review II due as you walk into the testing room

1. What is utility?
2. I have \$5. Why can't I have 5# of bananas and 5# of grapes in Figure 5.3?
3. Explain the price = marginal benefit rule.
4. In pictures and words tell me how consumer surplus is measured.
5. What is the importance of the indifference curve?
6. What is a firm?
7. Most firms consist of what type?
8. C & C price maker and price taker.
9. What type of markets are demonstrated by each in question 8?
10. Show revenue produced in a graph by shading in the revenue portion.
11. What is diminishing returns of labor?
12. C & C fixed and variable costs. Give examples for each.
13. In pictures and words show how producer surplus is measured.
14. What did Adam Smith mean by the "invisible hand?"
15. What is Pareto efficient?
16. Why does $P = MB$ (marginal benefit) = MC
17. Explain deadweight loss as shown in Figure 7.7.
18. What is an *ad valorem* tax?
19. How does this affect curves, demand, etc. Use pictures and words to explain. Look at Figure 7.10.
20. How are average costs, revenue, etc. calculated?
21. Understand Figure 8.4 on page 207.
22. Using a graph show me profit for a firm (3 curves needed).
23. Why must $P = ATC$ in the long run? Why not in the short run?
24. What is the shutdown point?
25. Explain economies and diseconomies of scale.
26. What is economies of scope?
27. What is an industry?
28. Describe entry and exit in competitive and monopolistic markets. Why are they this way?
29. C & C normal and economic profits.
30. Explain external economies of scale.
31. Explain external diseconomies of scale.
32. Why does $MC = MR$?
33. Explain what the graph looks like for maximum profitability for a monopoly.
34. How is deadweight loss due to monopoly calculated? Show a graph demonstrating this.
35. How long are patents and copyrights good for?
36. What is price discrimination?
37. C & C monopolistic competition and oligopoly.
38. What is product differentiation and what economic effect does it have?
39. What is Game Theory used for in economics?
40. What does the Nash Theorem tell us?
41. What is a duopoly?
42. What is the Sherman and Clayton Antitrust Acts?
43. What is the HHI?

44. Why is the HHI used?
45. What is predatory pricing?
46. C & C nominal and real wage.
47. What does it mean that labor is a derived demand? Page 336.
48. Why must $MRP = W$?
49. Minimum wage is an example of what economic term?
50. Why do labor unions limit the supply of labor?
51. What is a monopsony?
52. What is a tax bracket?
53. C & C progressive, regressive, and proportional taxes. Give examples of each.
54. How is payroll tax different from income tax. Where does the money go?
55. What is an excise tax?
56. In pictures and words show what effect do taxes have on goods.
57. What is the Laffer curve?
58. What are transfer payments? Give examples.
59. What is a public good?
60. What is an externality?
61. Explain Figure 15.1
62. What does the Coase theorem tell us?
63. What is the median voter theorem?
64. What is the voting paradox?
65. What is the Arrow impossibility theorem?
66. What is depreciation?
67. Explain purchasing power parity.