Sunday, February 10, 2013

ECO404 QUIZ NO 3 SOLVED BY DR ABDUL SABOOR

MSBA_124

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Question # 1 of 10 (Start time: 04:39:13 PM) Total Marks: 1

While deriving firm's cost functions, input prices are assumed to be:

Constant

Variable

Zero

Flexible

Question # 2 of 10 (Start time: 04:40:07 PM) Total Marks: 1

Periods of economic expansion and contraction in an economy is named as:

Business cycle

Life cycle

Poverty cycle

Unemployment cycle

The Business Cycle is a rhythmic pattern of economic expansion and contraction and economicindicators help forecast the economy.
Leading indicators, e.g., stock prices, building permits
Coincident indicators, e.g., production, manufacturing & trade sales
Lagging indicators, e.g., unemployment, change in labor cost **Page 68**

Question # 3 of 10 (Start time: 04:40:50 PM) Total Marks: 1

In regression analysis, homoscedasticity assumption means that error term has:

Normal distribution

Zero mean

Constant variance

Skewed distribution

In statistics, a sequence or a vector of random variables is homoscedastic,if all random variables in the sequence or vector have the same finite variance. This is also known as homogeneity of variance. The complementary notion is called heteroscedasticity. The spellings homoskedasticity and heteroskedasticity are also frequently used.

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Question # 4 of 10 (Start time: 04:42:08 PM) Total Marks: 1

Inferior good is defined as the good for which:

Select correct option:

As income increases, quantity demanded also increases

As income increases, quantity demanded decreases

As income increases, quantity demanded remains the same

As income decreases, quantity demanded remains the same

Question # 5 of 10 (Start time: 04:42:36 PM) Total Marks: 1

Moving average forecasts will be better if we obtain:

Select correct option:

Larger root mean square error

Smallest root mean square error

Larger mean

Smallest mean

Question # 6 of 10 (Start time: 04:43:10 PM) Total Marks: 1

Participants are in an artificial situation in which of the following marketing research approach to demand estimation?

Select correct option:

Consumer Interviews

Consumer Clinics

Market Experiments

None of the given options

Consumer clinics also face serious shortcomings, however. First, the results are questionable because participants know that they are in an artificial situation and that they are being observed. Therefore, they are not likely to act normally, as they would in a real market situation.

Question # 7 of 10 (Start time: 04:44:14 PM) Total Marks: 1

Cost is usually measured in:

Select correct option:

Physical units

Monetary units

Percentage

Absolute term

Cost refers to the resource expended for the intervention, usually measured in monetary terms such as dollars or pounds

Question # 8 of 10 (Start time: 04:44:36 PM) Total Marks: 1

Out of pocket costs of firm are known as:

Select correct option:

Explicit costs

Implicit costs

Total costs

Opportunity costs

Question # 9 of 10 (Start time: 04:45:09 PM) Total Marks: 1

Average product of labor is defined as the:

Select correct option:

Total product / Labor input

Average product / Input

Total product / Average product

Total product / Cost of labor

The formula for the average product of labor (or capital) is simply output, Q, divided by the number of workers (or units of capital), L (K).

Simply,

APL = Q/L   APK = Q/K

Question # 10 of 10 (Start time: 04:46:19 PM) Total Marks: 1

Given the total revenue equation: TR = 26Q, marginal revenue is:

Select correct option:

Q

26Q

26   me not sure so please make me confirm

26 + Q

Question # 1 of 10 (Start time: 06:49:35 PM)

Which of the following firm earn normal profit in the long run?

Select correct option:

Perfectly competitive firm

Monopoly firm

Monopolistically competitive firm

Oligopoly firm

Total Marks: 1

In the regression equation, $Yt = 6.60 + 2.63Xt$, the slope of the line is:

Select correct option:

6.60

2.63

9.23

3.97

Question # 3 of 10 (Start time: 06:52:03 PM)

Total Marks: 1

Negative relationship between price and quantity demanded of a good is depicted by:

Select correct option:

Law of demand

Law of supply

Laws of returns

Okun's Law

MSBA_124: Holding all other things constant (ceteris paribus), there is an inverse relationship between the price of a good and the quantity of the good demanded per time period. It is often useful to examine the relationship between the quantity demanded of a commodity per, unit of time and the price of the commodity only.

Question # 4 of 10 (Start time: 06:53:16 PM)

Total Marks: 1

A function that relates inputs with outputs is called:

Select correct option:

Production function page 76

Consumption function

Investment function

Demand function

Question # 5 of 10 (Start time: 06:54:35 PM)

Total Marks: 1

Total cost divided by total quantity is known as:

Select correct option:

Average cost

Marginal cost

Incremental cost

Sunk cost

Question # 6 of 10 (Start time: 06:55:32 PM)

Total Marks: 1

Who introduced the concept of linear programming?

Select correct option:

Leonid Kantorovich page 137

George B Dantzig

John von Neumann

Joel Dean

MSBA_124: The founders of the concept are Leonid Kantorovich, a Russian mathematician who developed

linear programming problems in 1939, George B Dantzig, who published the simplex method in

1947, and John von Neumann, who developed the theory of the duality in the same year.

Question # 7 of 10 (Start time: 06:56:56 PM)

Total Marks: 1

We can tackle many managerial forecasting problems by using:

Select correct option:

Single equation econometric models

Multiple equation econometric models

Production function

Consumption function

A variety of methods are used in econometrics to estimate models consisting of a single equation. The oldest and still the most commonly used is the ordinary least squares method used to estimate linear regressions.

A variety of methods are available to estimate non-linear models. A particularly important class of non-linear models are those used to estimate relationships where the dependent variable is discrete, truncated or censored. These include logit, probit and Tobit models.

Single equation methods may be applied to time-series, cross section or panel data.

Question # 8 of 10 (Start time: 06:58:13 PM)

Total Marks: 1

Inputs that can not be changed during the production process are known as --------- inputs.

Select correct option:

Fixed

Variable

Good

Bad

Question # 9 of 10 (Start time: 06:59:34 PM)

Total Marks: 1

The percentage change in a dependent variable resulting from a 1% change in independent variable is called:

Select correct option:

Slope

Elasticity page 24

Demand

Supply

Question # 10 of 10 (Start time: 07:00:35 PM)

Total Marks: 1

In perfect competition, demand curve is:

Select correct option:

Negatively sloped

Positively sloped

Vertical

Horizontal page 176

Question # 1 of 10 (Start time: 03:11:49 PM) Total Marks: 1

The quantity of a good or service that producers are willing and able to sell during a certain period of time is known as:

Select correct option:

Demand

Supply

Market demand

Market supply

Question # 2 of 10 (Start time: 03:12:16 PM) Total Marks: 1

Which of the following can be used to detect the problem of autocorrelation?

Select correct option:

T statistic

Z statistic

F statistic

Durbin Watson statistic page 49

Question # 3 of 10 (Start time: 03:13:08 PM) Total Marks: 1

Percentage change in profit due to one unit change in sales is known as:

Select correct option:

Degree of operating leverage read at page 122

Economies of scale

Degree of freedom

Cost elasticity

The degree of operating leverage is the percentage change in profit from a 1 unit change in units sold:

Question # 4 of 10 (Start time: 03:14:22 PM) Total Marks: 1

Inferior good is defined as the good for which:

Select correct option:

As income increases, quantity demanded also increases

As income increases, quantity demanded decreases

As income increases, quantity demanded remains the same

As income decreases, quantity demanded remains the same

Question # 5 of 10 (Start time: 03:14:58 PM) Total Marks: 1

In centralized cartels, collusion is:

Select correct option:

Explicit page 197

Implicit

Ambiguous

Not possible

Question # 6 of 10 (Start time: 03:15:57 PM) Total Marks: 1

Which of the following is marketing research approach to estimate the demand?

Select correct option:

Consumer Interviews

Consumer Clinics

Market Experiments

All of the given options

Question # 7 of 10 (Start time: 03:16:29 PM) Total Marks: 1

Which of the following is TRUE about shadow prices?

Select correct option:

Change in objective value = (Shadow price) (Change in the right hand side of constraint

Change in objective value = Change in the right hand side of constraint

Change in objective value = Shadow price

None of the given options

MSBA_124: That is Change in objective value = [Shadow price][Change in the right hand side value].

Question # 8 of 10 (Start time: 03:17:56 PM) Total Marks: 1

Percentage change in output due to 1% change in inputs is called:

Select correct option:

Output elasticity of inputs page 78 at the end

Inputs elasticity of output

Elasticity of substitution

Cross price elasticity

Question # 9 of 10 (Start time: 03:19:22 PM) Total Marks: 1

Which of the following is the similarity of monopolistic competition with perfect competition?

Select correct option:

Small number of buyers and sellers

Free entry and exit of firms

Barriers to entry and exit of firms

Single buyer

[

Question # 10 of 10 (Start time: 03:20:36 PM) Total Marks: 1

WAPDA is an example of which of the following market structures?

Select correct option:

Perfect competition

Monopoly page 162

Monopolistic competition

Oligopoly

Question # 1 of 10 (Start time: 04:02:07 PM) Total Marks: 1

We can tackle many managerial forecasting problems by using:

Select correct option:

Single equation econometric models

Multiple equation econometric models

Production function

Consumption function

Question # 2 of 10 (Start time: 04:02:35 PM) Total Marks: 1

Total revenue – Both explicit and implicit costs of production shows:

Select correct option:

Economic profit of the firm page 4

Accounting profit of the firm

Total cost of the firm

Value of the firm

Question # 3 of 10 (Start time: 04:03:27 PM) Total Marks: 1

Which of the following is (are) economic indicator (s)?

Select correct option:

Leading indicators

Coincident indicators

Lagging indicators

All of the given options

Question # 4 of 10 (Start time: 04:03:48 PM) Total Marks: 1

Non-price determinant of supply includes:

Select correct option:

Prices of other goods or services

Input prices

Weather conditions

All of the given options

Question # 5 of 10 (Start time: 04:05:20 PM) Total Marks: 1

Which of the following problem arise in regression analysis if consecutive error terms are related with each other?

Select correct option:

Multicollinearity

Heteroscedasticity

Autocorrelation page 49

Confidence interval

Question # 6 of 10 (Start time: 04:06:00 PM) Total Marks: 1

If oligopoly firm is producing homogenous product, it is known as:

Select correct option:

Pure oligopoly

Differentiated oligopoly

Triopoly

Monopoly

MSBA_124: If the product is homogenous, it is called pure oligopoly. If

the product is differentiated, it is called differentiated oligopoly.

Question # 7 of 10 (Start time: 04:07:16 PM) Total Marks: 1

Price elasticity of demand measures the:

Select correct option:

Percentage change in quantity demanded given a percentage change in the price of the product

Percentage change in quantity demanded given a percentage change in the income of consumers

Percentage change in quantity demanded of product A given a percentage change in the price of product B

Percentage change in quantity supplied given a percentage change in the price of the product

Question # 8 of 10 (Start time: 04:07:45 PM) Total Marks: 1

Cigarettes are an example of which type of market structure?

Select correct option:

Perfect competition

Monopoly

Monopolistic competition page 182

Oligopoly

MSBA_124: Monopolistic competition is defined as the form of market organization in which there are many

sellers of a differentiated product and entry into and exit from the industry are rather easy in the long run. Differentiated products are those that are similar but not identical and satisfy the same basic need. Examples are the numerous brands of breakfast cereals, toothpaste, cigarettes, detergents, cold medicines and cosmetics.

Question # 9 of 10 (Start time: 04:08:56 PM) Total Marks: 1

St = S0 + bt is an example of:

Select correct option:

Linear trend analysis page 53-54

Growth trend analysis

Non linear trend analysis

Qualitative analysis

Question # 10 of 10 (Start time: 04:09:52 PM) Total Marks: 1

Expenses for raw materials fall in the category of which of the following costs?

Select correct option:

Fixed costs

Replacement cost

Variable costs see lesson 14 at page 76

Sunk cost

Question # 1 of 10 (Start time: 04:16:06 PM) Total Marks: 1

Surplus occurs in the market when:

Select correct option:

Quantity supplied is more than quantity demanded

Quantity demanded is more than quantity supplied

Quantity demanded is equal to quantity supplied

Commodities are scarce in the market

Question # 2 of 10 (Start time: 04:16:35 PM) Total Marks: 1

Consider the following equation of time series data: Yt = f (Tt, Ct, St, Rt) --------- shows trend component at time t.

Select correct option:

Tt   page 56

Ct

St

Rt

Question # 3 of 10 (Start time: 04:17:23 PM) Total Marks: 1

Out of pocket costs of firm are known as:

Select correct option:

Explicit costs

Implicit costs

Total costs

Opportunity costs

[4:18MSBA_124: Typically, the costs of using resources in production involve both out-of-pocket costs, or explicit

costs, and other non-cash costs, called implicit costs.

Question # 4 of 10 (Start time: 04:18:19 PM) Total Marks: 1

Market structure including two sellers is known as:

Select correct option:

Oligopoly

Duopoly

Triopoly

Monopoly

Question # 5 of 10 (Start time: 04:18:57 PM) Total Marks: 1

Two products are said to be substitutes if cross price elasticity of demand between these two products is:

Select correct option:

Positive page 31

Negative

Zero

Infinite

Question # 6 of 10 (Start time: 04:20:10 PM) Total Marks: 1

Which of the following technique assigns equal weight to all observations?

Select correct option:

Exponential technique

Moving average technique page 65

Barometric technique

Econometric technique

MSBA_124: A serious criticism of using simple moving averages in forecasting is that they give equal weight

to all observations in computing the average, even though intuitively we might expect more

recent observations to be more important. Exponential

Question # 7 of 10 (Start time: 04:21:23 PM) Total Marks: 1

The Simplex method was first introduced in:

Select correct option:

1930

1939

1947 page 137

1949

Question # 8 of 10 (Start time: 04:22:11 PM) Total Marks: 1

When there is limited supply of goods relative to the demand of goods, this condition is known as:

Select correct option:

Scarcity

Rationing

Equilibrium

Surplus

Question # 9 of 10 (Start time: 04:22:59 PM) Total Marks: 1

Which of the following problem arise in regression analysis if consecutive error terms are related with each other?

Select correct option:

Multicollinearity

Heteroscedasticity

Autocorrelation

Confidence interval

Question # 10 of 10 (Start time: 04:23:28 PM) Total Marks: 1

Fluctuations should be random. It is the requirement of which of the following technique(s)?

Select correct option:

Moving average technique only

Exponential smoothing technique only

Both moving average and exponential techniques

Barometric technique

Question # 1 of 10 (Start time: 04:39:13 PM) Total Marks: 1

While deriving firm's cost functions, input prices are assumed to be:

Select correct option:

Constant please read at page 139

Variable

Zero

Flexible

Question # 2 of 10 (Start time: 04:40:07 PM) Total Marks: 1

Periods of economic expansion and contraction in an economy is named as:

Select correct option:

Business cycle page 68

Life cycle

Poverty cycle

Unemployment cycle

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In regression analysis, homoscedasticity assumption means that error term has:

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Constant variance

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Smallest mean

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None of the given options

Question # 7 of 10 (Start time: 04:44:14 PM) Total Marks: 1

Cost is usually measured in:

Select correct option:

Physical units

Monetary units

Percentage

Absolute term

Question # 8 of 10 (Start time: 04:44:36 PM) Total Marks: 1

Out of pocket costs of firm are known as:

Select correct option:

Explicit costs

Implicit costs

Total costs

Opportunity costs

Quiz Start Time: 04:39 PM

Time Left 88

sec(s)

Question # 9 of 10 (Start time: 04:45:09 PM) Total Marks: 1

Average product of labor is defined as the:

Select correct option:

Total product / Labor input

Average product / Input

Total product / Average product

Total product / Cost of labor

Question # 10 of 10 (Start time: 04:46:19 PM) Total Marks: 1

Given the total revenue equation: TR = 26Q, marginal revenue is:

Select correct option:

Q

26Q

26 not sure

26 + Q