

LPUNEST – Ph.D. Management

(Sample Questions)

- QUESTION 1** Under perfect competition, price is determined by the interaction of total demand and _____.
- Option A Total production
 - Option B Total supply
 - Option C Total utility
 - Option D Total cost
- QUESTION 2** If 100 units of product K are sold at a unit price of \$10 and 75 units of product K are sold at a unit price of \$15, one can conclude that in this price range
- Option A Demand for product K has shifted to the right
 - Option B Demand for product K is inelastic
 - Option C Demand for product K is elastic
 - Option D Consumers are sensitive to price changes of product K
- QUESTION 3** Microeconomics focuses on all of the following except
- Option A The effect of an increase in the tax on cigarettes on cigarette sales.
 - Option B The hiring decisions that a business makes
 - Option C The purchasing decisions that an individual consumer makes.
 - Option D The effect of increasing the money supply on inflation.
- QUESTION 4** The equilibrium quantity must fall when
- Option A There is a decrease in demand
 - Option B There is a decrease in supply
 - Option C There is an increase in demand and supply
 - Option D There is a decrease in demand and supply
- QUESTION 5** Economic profit is
- Option A The difference between total revenue and the opportunity cost of all the resources used in production
 - Option B The difference between accounting profit and the opportunity cost of the Market supplied resources used by the firm
 - Option C The difference between total revenue and explicit costs
 - Option D The difference between accounting profit and explicit costs

