1. Which one of the following is not a basic economic question that every economy must answer?
   a. What goods will be produced?
   b. How will the goods be produced?
   c. Who will get the goods?
   d. Which goods are scarce?

2. An increase in the money supply is shown by:
   a. a rightward shift in the LM curve
   b. a leftward shift in the LM curve
   c. a leftward shift in the IS curve
   d. a rightward shift in the IS curve

3. A country experiences capital dilution when the population:
   a. contracts while the capital base remains relatively constant
   b. expands while the capital base remains relatively constant
   c. expands at about one third the rate of the capital base
   d. contracts while the capital base expands

4. Which one of the economies listed below would be considered the most blended in terms of
capitalistic and socialistic characteristics?
   a. New Zealand
   b. Norway
   c. Belarus
   d. Singapore

5. The work of Thomas Malthus has become most commonly associated with economics being
   referred to as:
   a. overly mathematical
   b. the dismal science
   c. the science of choice
   d. the king of the social sciences

6. The names of Jevons, Menger, and Walras are most closely associated with:
   a. the marginalist revolution
   b. invention of the market model
   c. supply-side economics
   d. the labor theory of value

7. The names of Jevons, Menger, and Walras are most closely associated with:
   a. the labor theory of value
   b. invention of the market model
   c. supply-side economics
   d. the marginalist revolution
8. Which one of the following is a basic economic question that every economy must answer?
   a. Who will get the goods?
   b. Which goods are scarce?
   c. How will the concept of opportunity cost be applied?
   d. What is the best way to maximize costs?

9. Thorstein Veblen is most well known in association with:
   a. the invisible hand principle
   b. the institutionalist school
   c. supply-side economics
   d. the marginalist revolution

10. An increase in the tariffs placed on foreign grown peanuts would primarily benefit:
    a. foreign producers of peanuts
    b. peanut farmers
    c. domestic peanut consumers
    d. producers of goods that are used in association with peanuts
1. D
2. A
3. B
4. B
5. B
6. A
7. D
8. A
9. B
10. B