

Open Source Software Practices

Quiz #2

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Question #1

Perfect Competition requires

- A) Low prices
- B) Government regulation
- C) Many buyers and many sellers
- D) More sellers than buyers
- E) Competent executives

Question #2

A Price Taker is a firm or individual who:

- A) Optimize profits
- B) Makes rational decisions
- C) Controls the supply in the market
- D) Has complete information
- E) Accept the market price as given

Question #3

The Perfect Competition Model
assumes that

- A) Buyers have easy access to credit
- B) Firms only deal with fixed costs
- C) Low prices maximize profits
- D) Sellers and buyers have complete information
- E) Information doesn't change the market value

Question #4

A Price Setter has the ability to

- A) Modify prices based on its output decision
- B) Lobby for government subsidies
- C) Force others to rig bids
- D) Reduce deadweight losses in the market
- E) Impose a market price by outsourcing jobs

Question #5

A **Network Effects** is a situation where products becomes more useful:

- A) When they are sold in the Internet
- B) When you connect many together
- C) When plugged to Ethernet cards
- D) The larger the number users use it
- E) When users exchange information

Question #6

In a **Monopoly Market**,
prices are driven by:

- A) Executive bonuses
- B) The demand curve
- C) Marginal revenue minus marginal cost
- D) Competition with smaller firms
- E) Elimination of regulations

Question #7

In a **Monopoly Market**, price :

- A) Exceeds marginal cost
- B) Is given by marginal revenue
- C) Can be set arbitrarily high
- D) Is changed often
- E) Is equal to the average total cost

Question #8

Monopolies generate for society

- A) Lower prices
- B) A working market economy
- C) A positive context for capitalism
- D) A dead-weight loss
- E) Technological advances

Question #9

Monopolistic Competition is characterized by:

- A) Similar but differentiated products
- B) Firms engaged in collusion
- C) Many buyers and few sellers
- D) Unstable monopolies
- E) Government anti-trust regulations

Question #10

Anti-Trust Regulations
are not concerned with

- A) Customer Allocation
- B) Bid rigging
- C) Price fixing
- D) Overt collusion
- E) Product differentiation