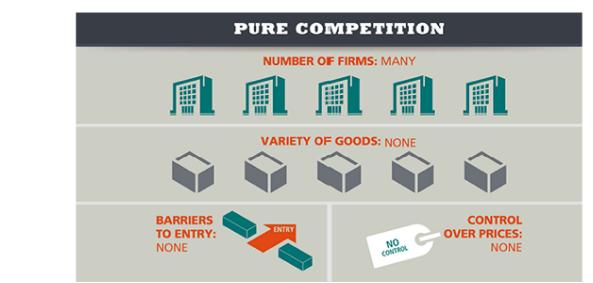
Student Name: _____ Teacher Name: <u>Westmoreland</u> Class Name/Subject: <u>Economics</u> Period: _____ Assignment Week #: <u>1</u>_____

Econ Topic 4 extended Quiz - Available online at: https://bit.ly/3e1jJL9

Multiple Choice

1.

l point each. Identify the choice that best completes the statement or answers the question.



Aside from what is shown in the diagram, what else is true about this type of market?

- a. It turns out overpriced goods.
- b. It produces goods inefficiently.
- c. It has a small number of buyers.
- d. It generates minimal profits.
- 2. Marielle liked knitting scarves and sweaters for her family and friends. One of her friends urged her to begin selling what she made. During the holiday season, Marielle set up a table at the weekly flea market in her town. Her knitted goods sold well, but after the holidays, Marielle decided to go back to knitting for relatives and friends.

Which characteristic of pure competition is illustrated by this scenario?

- a. Many sellers participate in the market.
- b. Sellers offer identical products.
- c. Buyers and sellers are well informed about products.
- d. Sellers are able to enter and exit the market easily.
- 3. Why did local phone companies have a natural monopoly before the arrival of cellular technology?
 - a. Local governments did not want to pay more than one company to provide phone service.
 - b. The federal government chose one company to provide each area with local phone service.
 - c. It was inefficient for more than one company to run the wires connecting customers.
 - d. Only one company was large enough to provide local phone service to everyone.

- 4. To achieve deregulation in the late 1970s and the 1980s, the government often
 - a. eliminated price controls and barriers to entry.
 - b. gave deregulated companies special patent rights.
 - c. decided how much a company could charge consumers.
 - d. bought companies that were threatened with bankruptcy.
- ____ 5.

2-2013
MARKET SHARE
16.3%
15.6%
15.4%
12.8%
8.5%
5.2%
26.7%

Top Airlines, 2012–20	13
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Source: Bureau of Transportation Statistics

According to the table, which of the following BEST describes the structure of the airline industry? a. perfect competition

- b. monopoly
- c. perfect cartel
- d. oligopoly

Short Answer

- 6. 5 points. 3 to 4 sentences minimum.Make Generalizations Is the purpose of advertising to produce informed buyers? Explain.
- 10 points. 5 to 6 sentences minimum.
 Support Ideas with Evidence By the early 1880s, the Standard Oil Trust controlled more than 90 percent of the oil refining business in the United States. Was Standard Oil a natural monopoly? Why or why not?