1. Basic Economic Concepts

Starter Quiz · 课前小测

AP Microeconomics   Name: ____________   Score: ______

1. Scarcity exists because...
   - ☐ people are lazy
   - ☐ wants are unlimited but resources are limited
   - ☐ money has not been invented yet
   - ☐ governments make bad choices
2. Every economic system must answer three questions. Which set is correct?
   - ☐ What, how, and for whom to produce
   - ☐ When, where, and why to produce
   - ☐ Who to tax, spend, and borrow from
   - ☐ How much to import, export, and save
3. A country is producing at a point **inside** its PPC. This means:
   - ☐ some of its resources are idle or unemployed
   - ☐ it is producing efficiently
   - ☐ it needs more resources than exist
   - ☐ it has achieved economic growth
4. A country has an **absolute advantage** in a good when it can:
   - ☐ produce more of it with the same resources
   - ☐ produce it at a lower opportunity cost
   - ☐ sell it at a higher price
   - ☐ produce it without any resources
5. Cost-benefit analysis says to take an action when:
   - ☐ the benefit is at least as large as the cost
   - ☐ you have already paid for it
   - ☐ the cost is high
   - ☐ other people are doing it
6. Only poor people and poor countries face scarcity.

   ☐ True   ☐ False

7. With its current resources, an economy can produce at a point outside its PPC.

   ☐ True   ☐ False

8. The 4th cookie has a marginal benefit of 6 dollars and a marginal cost of 2 dollars. By how much (in dollars) does making it change your net benefit?

   ____________ dollars

9. The value of the single best alternative you give up is the ______ cost.

   ____

10. In a pure market economy, a central planner sets the prices.

    ☐ True   ☐ False

AP Microeconomics

1. **wants are unlimited but resources are limited**

   Scarcity is the gap between unlimited wants and the limited resources available to satisfy them.

2. **What, how, and for whom to produce**

   Scarcity forces every economy to decide **what** goods, **how** they are made, and **for whom**.

3. **some of its resources are idle or unemployed**

   Inside the curve, resources sit idle — the economy could make more of both goods.

4. **produce more of it with the same resources**

   Absolute advantage is about raw output; comparative advantage is about opportunity cost.

5. **the benefit is at least as large as the cost**

   Act only when benefit $\geq$ cost — comparing what you gain with what you give up.

6. **False**

   Everyone faces scarcity of *some* resource — even the wealthy run short of time.

7. **False**

   Points outside are unattainable now — reaching them needs economic growth.

8. **4 dollars**

   Net benefit rises by $MB - MC = 6 - 2 = 4$. Since MB > MC, it is worth making.

9. **opportunity**

   Opportunity cost is what you sacrifice — the next-best choice — when you decide.

10. **False**

    No one sets them — prices emerge from buyers and sellers. That is the invisible hand.