5. Factor Markets

Starter Quiz · 课前小测

AP Microeconomics Name: ________________ Score: ______

1. Factor demand is a ”derived demand” because it comes from:
   - ☐ the value of the product the factor helps make
   - ☐ how much workers enjoy their jobs
   - ☐ the government
   - ☐ the number of factories
2. The product a firm sells becomes more valuable. The firm’s demand for workers:
   - ☐ shifts right (higher MRP)
   - ☐ shifts left
   - ☐ does not change
   - ☐ becomes vertical
3. A firm in a competitive factor market is a **wage taker**, so its marginal factor cost is:
   - ☐ constant and equal to the market wage
   - ☐ above the market wage
   - ☐ below the market wage
   - ☐ always zero
4. A monopsony is a factor market with:
   - ☐ a single buyer of the factor
   - ☐ a single seller of the factor
   - ☐ many identical buyers
   - ☐ no buyers at all
5. For a competitive seller, MRP equals marginal product times the product ________.

   ____

6. Select **all** that shift factor (labour) **demand**.
   - ☐ a change in the product’s price
   - ☐ a change in worker productivity
   - ☐ a change in the price of a related input
   - ☐ more workers immigrating

   Tick every correct option.

7. In a competitive factor market the hiring rule simplifies to MRP = ________.

   ____

8. For a monopsony, the marginal factor cost of one more worker is above the wage on the supply curve.

   ☐ True ☐ False

9. A worker adds 8 loaves a day, and each loaf sells for 5. What is this worker’s marginal revenue product?

   ____

10. A wave of immigration into a country tends to shift the labour supply curve:
    - ☐ right (more workers available)
    - ☐ left
    - ☐ not at all
    - ☐ vertical

AP Microeconomics

1. **the value of the product the factor helps make**

   Firms want a factor only for the goods it produces, so demand is derived from the product.

2. **shifts right (higher MRP)**

   A higher output price raises each worker's MRP, shifting factor demand right.

3. **constant and equal to the market wage**

   It can hire any number at the market wage, so each extra worker costs exactly that wage.

4. **a single buyer of the factor**

   It is the mirror image of a monopoly — one buyer instead of one seller.

5. **price**

   $MRP = MP \times P$ — the extra output valued at the price it sells for.

6. **a change in the product's price; a change in worker productivity; a change in the price of a related input**

   Output price, productivity and related-input prices shift demand; more workers shifts supply.

7. **W**

   Since MFC equals the wage W, the firm hires where $MRP = W$.

8. **True**

   To hire one more it must raise the wage for every worker, so MFC exceeds the wage.

9. **40**

   $MRP = MP \times P = 8 \times 5 = 40$.

10. **right (more workers available)**

    More available workers increase labour supply, shifting the curve right.