

Economy Math for Economists MCQ

Negotiations MCQ

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- Unit 06: Microeconomic Theory and Applications
- Unit 05: Game Theory
- Unit 02: Temporal Optimization
- Unit 01: Basic Tools of Optimization in Economics
- Unit 03: Financial Theory, Risk, and Applications

4. Chapter: Unit 04: Equitable Division of Resources and Consumption

1. Unit 04: Equitable Division of Resources and Consumption Questions

4.1.1. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds or gather three pounds of berries in an hour. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. What is the slope of his production possibilities frontier?

Please choose only one answer:

- $3/2$
- $-3/2$
- $2/3$
- $-2/3$

Check the answer of this question online at QuizOver.com:

Question: [Suppose Frank can either hunt for birds b or Tony Pizur @Regis Math](#)

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4.1.2. Suppose you are shopping at a farmers' market at 4:59 p.m. It close...

Author: Tony Pizur

Suppose you are shopping at a farmers' market at 4:59 p.m. It closes at 5 p.m. At the end of the day, the farmer will have to discard her lettuce. The price of the lettuce is \$3. You are willing to pay \$1.00 for the lettuce. What is the Pareto optimal price for the lettuce?

Please choose only one answer:

- \$0
- \$1
- \$2
- \$3

Check the answer of this question online at QuizOver.com:

Question: [Suppose you are shopping at a farmers' market Tony Pizur @Regis Math](#)

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Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. Which point is not Pareto efficient?

Please choose only one answer:

- (0, 24)
- (3, 21)
- (9, 18)
- (12, 16)

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Author: Tony Pizur

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Please choose only one answer:

- $3/2$
- $-3/2$
- $2/3$
- $-2/3$

Check the answer of this question online at QuizOver.com:

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4.1.5. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. What is the marginal rate of substitution of birds for berries?

Please choose only one answer:

- $b/(2w)$
- $-b/(2w)$
- $(2b)/w$
- $2bw$

Check the answer of this question online at QuizOver.com:

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Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. What is the expression for b when the marginal rate of substitution of birds for berries is equal to the marginal rate of transformation of birds for berries?

Please choose only one answer:

- $(3/4)w$
- $-(3/4)w$
- $(4/3)w$
- $-(4/3)w$

Check the answer of this question online at QuizOver.com:

Question: [Suppose Frank can either hunt for birds b or Tony Pizur @Regis Math](#)

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4.1.7. Suppose Frank can either hunt for birds (b) or forage for wild berr...

Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. Using the information from the production possibilities frontier, what is the Pareto optimal allocation for berries?

Please choose only one answer:

- 24
- 22
- 18
- 12

Check the answer of this question online at QuizOver.com:

Question: [Suppose Frank can either hunt for birds b or Tony Pizur @Regis Math](#)

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Author: Tony Pizur

Suppose Frank can either hunt for birds (b) or forage for wild berries (w) on his isolated island property. He can catch two birds in an hour or gather three pounds of berries. He only has 12 hours a week to devote to these activities. His utility function for birds and berries is $u(w,b) = bw^{(0.5)}$. Using the information from the production possibilities frontier, what is the Pareto optimal allocation for birds?

Please choose only one answer:

- 18
- 16
- 14
- 12

Check the answer of this question online at QuizOver.com:

Question: [Suppose Frank can either hunt for birds b or Tony Pizur @Regis Math](#)

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4.1.9. Suppose the government in a closed country imposes a lump sum tax o...

Author: Tony Pizur

Suppose the government in a closed country imposes a lump sum tax of \$1,000 on some people (sp) and redistributes the income to other people (op) in society. After the tax is levied and distributed, what is the deadweight loss to society?

Please choose only one answer:

- \$0
- $+\$1,000*sp$
- $-\$1,000*op$
- e answer cannot be determined by the information given.

Check the answer of this question online at QuizOver.com:

Question: [Suppose the government in a closed country Tony Pizur @Regis Math](#)

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4.1.10. Suppose the government in a closed country imposes a tax of 25 perc...

Author: Tony Pizur

Suppose the government in a closed country imposes a tax of 25 percent on working people's wages (w) and redistributes the tax to nonworking people (n) in society as a lump sum distribution. This causes working people to reduce labor by 20 percent. After the tax is levied and distributed, what is the deadweight loss to society relative to a lump sum tax system?

Please choose only one answer:

- \$0
- $0.25w$
- $0.20w$
- $0.05w$

Check the answer of this question online at QuizOver.com:

Question: [Suppose the government in a closed country Tony Pizur @Regis Math](#)

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4. Chapter: Unit 06: Microeconomic Theory and Applications

1. Unit 06: Microeconomic Theory and Applications Questions

4.1.1. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the...

Author: Tony Pizur

If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the market equilibrium price?

Please choose only one answer:

- 1.63
- 2.33
- 3.63
- 4

Check the answer of this question online at QuizOver.com:

Question: [If supply is \$q = 7 + 2p\$ and demand is \$q = 20 - 6p\$ then Tony Pizur @Regis](#)

Flashcards:

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Interactive Question:

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4.1.2. If an individual's budget is represented by $M = 90$ for two products...

Author: Tony Pizur

If an individual's budget is represented by $M = 90$ for two products (x,y) , what do we know about the budget constraint?

Please choose only one answer:

- It must be continuous.
- It must have constant slope.
- There can be no price of zero.
- There will exist some marginal rate of substitution.

Check the answer of this question online at QuizOver.com:

Question: [If an individual's budget is represented by Tony Pizur @Regis Math](#)

Flashcards:

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4.1.3. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the...

Author: Tony Pizur

If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the market equilibrium quantity?

Please choose only one answer:

- 6.75
- 9.50
- 10.25
- 12

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Question: [If supply is \$q = 7 + 2p\$ and demand is \$q = 20 - 6p\$ then Tony Pizur @Regis](#)

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Interactive Question:

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4.1.4. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the...

Author: Tony Pizur

If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the market's total revenue?

Please choose only one answer:

- 12.85
- 16.71
- 20.11
- 69.69

Check the answer of this question online at QuizOver.com:

Question: [If supply is q 7 2p and demand is q 20 6p then Tony Pizur @Regis](#)

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4.1.5. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the...

Author: Tony Pizur

If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the price elasticity of demand at market equilibrium?

Please choose only one answer:

- 0.67
- 0.77
- 0.95
- unity

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If supply is q 7 2p and demand is q 20 6p then Tony Pizur @Regis](http://www.quizover.com/question/if-supply-is-q-7-2p-and-demand-is-q-20-6p-then-tony-pizur-regi-2621925?pdf=1505)

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4.1.6. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, and the governme...

Author: Tony Pizur

If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, and the government imposes a 20 cent tax on the buyers, by how much is the sellers' revenue reduced at the new equilibrium?

Please choose only one answer:

- 0
- 3
- 6
- 9

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [If supply is \$q = 7 + 2p\$ and demand is \$q = 20 - 6p\$ and Tony Pizur @Regis Math](#)

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4.1.7. Given a demand curve $f(x) = -2x^2 + 9$, what is the price elasticity ...

Author: Tony Pizur

Given a demand curve $f(x) = -2x^2 + 9$, what is the price elasticity at point (2,1)?

Please choose only one answer:

- 0
- 1
- 1.3
- 16

Check the answer of this question online at QuizOver.com:

Question: [Given a demand curve f x -2x 9 what is the Tony Pizur @Regis Math](#)

Flashcards:

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4.1.8. Given a demand curve $f(x) = -2x^2 + 9$ with 50 total consumers in the...

Author: Tony Pizur

Given a demand curve $f(x) = -2x^2 + 9$ with 50 total consumers in the market, what is the slope of the market demand curve?

Please choose only one answer:

- $-200x$
- $-100x^2$
- $-4x$
- $4x$

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Given a demand curve f x -2x 9 with 50 total Tony Pizur @Regis Math](http://www.quizover.com/question/given-a-demand-curve-f-x-2x-9-with-50-total-tony-pizur-regis-math?pdf=1505)

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4.1.9. Given a utility function, $u(x, y) = yx^{(0.5)}$, what is the slope of ...

Author: Tony Pizur

Given a utility function, $u(x, y) = yx^{(0.5)}$, what is the slope of the indifference curve at a satisfaction level of 500?

Please choose only one answer:

- $-1000x^{(-1.5)}$
- $-250x^{(-1.5)}$
- $-250x^{(0.5)}$
- $-1000x^{(0.5)}$

Check the answer of this question online at QuizOver.com:

Question: [Given a utility function u x y yx 0.5 what is Tony Pizur @Regis Math](#)

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4.1.10. Given a utility function, $u(x, y) = yx^{(0.5)}$, with prices of (3,4),...

Author: Tony Pizur

Given a utility function, $u(x, y) = yx^{(0.5)}$, with prices of (3,4), what is the minimum cost for x that is required in order to reach a satisfaction level of 500?

Please choose only one answer:

- 24
- 48
- 72
- 128

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Given a utility function \$u\(x, y\) = yx^{0.5}\$ with Tony Pizur @Regis Math](#)

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4. Chapter: Unit 05: Game Theory

1. Unit 05: Game Theory Questions

4.1.1. In backward induction, a likely outcome of a game can be predicted....

Author: Tony Pizur

In backward induction, a likely outcome of a game can be predicted. What can we say about the likely outcome?

Please choose only one answer:

- It will be Pareto optimal.
- It will coincide with the same solution as if the game played out from the beginning.
- It will be Pareto optimal as long as it's the same solution as if the game played out from the beginning.
- It can be only compared with other outcomes to determine Pareto optimality.

Check the answer of this question online at QuizOver.com:

Question: [In backward induction a likely outcome of a Tony Pizur @Regis Math](#)

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4.1.2. When is the expected value of a bid at a first-price sealed bid auc...

Author: Tony Pizur

When is the expected value of a bid at a first-price sealed bid auction zero?

Please choose only one answer:

- When the bidder bids the value of the piece and the probability of winning is 100 percent.
- When the bidder bids the value of the piece and the probability of winning is 0 percent.
- When the bidder bids the value of the piece and the probability of winning is 50 percent.
- All of the above because the probability doesn't matter.

Check the answer of this question online at QuizOver.com:

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4.1.3. Consider the duopoly game below. Each player can either take a cupc...

Author: Tony Pizur

Consider the duopoly game below. Each player can either take a cupcake off a table or agree to share 10 cupcakes. What is the dominant strategy's outcome?

		Player 2	
		Take	Share
Player 1	Take	(1,1)	(3,0)
	Share	(3,0)	(5,5)

Please choose only one answer:

- Player 1 takes and Player 2 takes.
- Player 1 takes and Player 2 shares.
- Player 1 shares and Player 2 takes.
- Player 1 shares and Player 2 shares.

Check the answer of this question online at QuizOver.com:

Question: [Consider the duopoly game below. Each player Tony Pizur @Regis Math](#)

Flashcards:

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4.1.4. Consider the duopoly game below. Each player can either take a cupc...

Author: Tony Pizur

Consider the duopoly game below. Each player can either take a cupcake off a table or agree to share 10 cupcakes. What is the Pareto optimal outcome?

		Player 2	
		Take	Share
Player 1	Take	(1,1)	(3,0)
	Share	(3,0)	(5,5)

Please choose only one answer:

- Player 1 takes and Player 2 takes.
- Player 1 takes and Player 2 shares.
- Player 1 shares and Player 2 takes.
- Player 1 shares and Player 2 shares.

Check the answer of this question online at QuizOver.com:

Question: [Consider the duopoly game below. Each player Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/consider-the-duopoly-game-below-each-player-tony-pizur-regis-m-2623163?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/consider-the-duopoly-game-below-each-player-tony-pizur-regis-m-2623163?pdf=1505>

4.1.5. Consider the game below. Given that p is the probability that Playe...

Author: Tony Pizur

Consider the game below. Given that p is the probability that Player 1 will choose N and Player 2 will choose Y, which of the following is a pure strategy Nash equilibrium?

		Player 2	
		Y	Z
Player 1	N	(1,5)	(0,0)
	M	(0,0)	(5,1)

Please choose only one answer:

- $p = 0$ & $q = 0$
- $p = 1$ & $q = 0$
- $p = 0$ & $q = 1$
- $p = 0.5$ & $q = 0.5$

Check the answer of this question online at QuizOver.com:

Question: [Consider the game below. Given that \$p\$ is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-math?pdf=1505>

4.1.6. Consider the game below. Given that p is the probability that Playe...

Author: Tony Pizur

Consider the game below. Given that p is the probability that Player 1 will choose N and Player 2 will choose Y, which of the following is a mixed strategy Nash equilibrium?

		Player 2	
		Y	Z
Player 1	N	(1,5)	(0,0)
	M	(0,0)	(5,1)

Please choose only one answer:

- $p = (1/6)$ & $q = (1/6)$
- $p = (1/6)$ & $q = (5/6)$
- $p = (5/6)$ & $q = (1/6)$
- There is no mixed strategy Nash equilibrium.

Check the answer of this question online at QuizOver.com:

Question: [Consider the game below. Given that \$p\$ is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-m-2623575?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-m-2623575?pdf=1505>

4.1.7. Consider the game below. Given that p is the probability that Playe...

Author: Tony Pizur

Consider the game below. Given that p is the probability that Player 1 will choose N and Player 2 will choose Y, which of the following is a pure/mixed strategy Nash equilibrium?

		Player 2	
		Y	Z
Player 1	N	(1,5)	(0,0)
	M	(0,0)	(5,1)

Please choose only one answer:

- $p = (1/6)$ & $q = (1/6)$
- $p = 1$ & $0 < q < 1$
- $0 < p < 1$ & $q = 1$
- There is no pure/mixed strategy Nash equilibrium.

Check the answer of this question online at QuizOver.com:

Question: [Consider the game below. Given that \$p\$ is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-m-2623712?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/consider-the-game-below-given-that-p-is-the-tony-pizur-regis-m-2623712?pdf=1505>

4.1.8. Suppose 30 people at an auction are bidding on a piece of land that...

Author: Tony Pizur

Suppose 30 people at an auction are bidding on a piece of land that is known to contain gold deposits. The low bid is \$4 million, the average bid is \$7 million, and the high bid is \$9 million. What is the value of the winner's curse?

Please choose only one answer:

- \$0
- \$2 million
- \$3 million
- \$5 million

Check the answer of this question online at QuizOver.com:

Question: [Suppose 30 people at an auction are bidding Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-30-people-at-an-auction-are-bidding-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-30-people-at-an-auction-are-bidding-tony-pizur-regis-math?pdf=1505>

4.1.9. Suppose at an all-pay auction, the low bid is \$4 million, the middl...

Author: Tony Pizur

Suppose at an all-pay auction, the low bid is \$4 million, the middle bid is \$7 million, and the high bid is \$9 million. What is the realized market value to the person selling?

Please choose only one answer:

- \$2 million
- \$9 million
- \$18 million
- The answer cannot be determined from the information given.

Check the answer of this question online at QuizOver.com:

Question: [Suppose at an all-pay auction the low bid is Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-at-an-all-pay-auction-the-low-bid-is-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-at-an-all-pay-auction-the-low-bid-is-tony-pizur-regis-math?pdf=1505>

4.1.10. Suppose you bid on a Ming vase in a first-price sealed bid auction....

Author: Tony Pizur

Suppose you bid on a Ming vase in a first-price sealed bid auction. You value the vase at \$2 million. Your probability of winning is 20 percent. What is your expected value of bidding \$1.9 million?

Please choose only one answer:

- \$0
- \$20,000
- \$1,900,000
- \$2,000,000

Check the answer of this question online at QuizOver.com:

Question: [Suppose you bid on a Ming vase in a first Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-bid-on-a-ming-vase-in-a-first-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-bid-on-a-ming-vase-in-a-first-tony-pizur-regis-math?pdf=1505>

4. Chapter: Unit 02: Temporal Optimization

1. Unit 02: Temporal Optimization Questions

4.1.1. Suppose that the relationship between economic growth (y) and popul...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and population (x) is given by the following formula: $y = -0.25x^2 + 2x$. What is the maximum sustainable yield?

Please choose only one answer:

- 0
- 4
- 8
- None of the above

Check the answer of this question online at QuizOver.com:

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regis?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regis?pdf=1505>

4.1.2. Can the present value of an annuity exceed the sum of its payments?

Author: Tony Pizur

Can the present value of an annuity exceed the sum of its payments?

Please choose only one answer:

- No.
- Yes, when the payer is expected to default.
- Yes, when interest rates are negative.
- Yes, when total return is negative.

Check the answer of this question online at QuizOver.com:

Question: [Can the present value of an annuity exceed Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/can-the-present-value-of-an-annuity-exceed-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/can-the-present-value-of-an-annuity-exceed-tony-pizur-regis-math?pdf=1505>

4.1.3. Suppose that the relationship between economic growth (y) and popul...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and population (x) is given by the following formula: $y = -0.25x^2 + 2x$. What is the maximum possible size of the entire population?

Please choose only one answer:

- 0
- 4
- 8
- 16

Check the answer of this question online at QuizOver.com:

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624262?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624262?pdf=1505>

4.1.4. Suppose that the relationship between economic growth (y) and popul...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and population (x) is given by the following formula: $y = -0.5x^2 + 3x$. What is the maximum sustainable yield?

Please choose only one answer:

- 0
- 3
- 4.5
- 9

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624351?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624351?pdf=1505>

4.1.5. Suppose that the relationship between economic growth (y) and popul...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and population (x) is given by the following formula: $y = -0.5x^2 + 3x$. What is the required initial population to reach the maximum sustainable yield?

Please choose only one answer:

- 0
- 3
- 4.5
- 9

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624476?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624476?pdf=1505>

4.1.6. Suppose that the relationship between economic growth (y) and carbo...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and carbon dioxide levels (x) is given by the following formula: $y = -x^3 - 3x^2 - 5x + 4$. What is the maximum sustainable growth?

Please choose only one answer:

- 0
- 4
- 6
- 12

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624566?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624566?pdf=1505>

4.1.7. Suppose that the relationship between economic growth (y) and carbo...

Author: Tony Pizur

Suppose that the relationship between economic growth (y) and carbon dioxide levels (x) is given by the following formula: $y = -x^3 - 3x^2 - 5x + 4$. To achieve the maximum sustainable growth, what is the optimal choice for carbon dioxide levels?

Please choose only one answer:

- Remove two units of carbon dioxide from the environment.
- Keep it at zero, that is, be carbon neutral.
- Add between zero and one units of carbon dioxide to the environment.
- The answer cannot be determined from the information given.

Check the answer of this question online at QuizOver.com:

Question: [Suppose that the relationship between economic Tony Pizur @Regis](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624659?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-that-the-relationship-between-economic-tony-pizur-regi-2624659?pdf=1505>

4.1.8. You have a choice of two investments. Option #1 will pay you a \$1,0...

Author: Tony Pizur

You have a choice of two investments. Option #1 will pay you a \$1,000 annuity at the end of every year for 10 years. Option #2 pays \$1,600 at the end of every year for seven years. What is the present value of Option #1 at a rate of 12 percent?

Please choose only one answer:

- \$12,000
- \$6,666
- \$6,560
- \$5,650

Check the answer of this question online at QuizOver.com:

Question: [You have a choice of two investments. Option Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/you-have-a-choice-of-two-investments-option-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/you-have-a-choice-of-two-investments-option-tony-pizur-regis-math?pdf=1505>

4.1.9. You have a choice of two investments. Option #1 will pay you a \$1,0...

Author: Tony Pizur

You have a choice of two investments. Option #1 will pay you a \$1,000 annuity at the end of every year for 10 years. Option #2 pays \$1,600 at the end of every year for seven years. What is the present value of Option #2 at a rate of 2 percent?

Please choose only one answer:

- \$11,200
- \$10,355
- \$9,998
- \$2,012

Check the answer of this question online at QuizOver.com:

Question: [You have a choice of two investments. Option Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/you-have-a-choice-of-two-investments-option-tony-pizur-regis-m-2624871?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/you-have-a-choice-of-two-investments-option-tony-pizur-regis-m-2624871?pdf=1505>

4.1.10. You have a choice of two investments. Option #1 will pay you a \$1,0...

Author: Tony Pizur

You have a choice of two investments. Option #1 will pay you a \$1,000 annuity at the end of every year for 10 years at 6 percent. Option #2 pays \$1,600 at the end of every year for seven years at a rate of 10 percent. Which annuity has a higher present value?

Please choose only one answer:

- Option #1 by \$430.
- Option #2 by \$430.
- Option #2 by \$340.
- Option #1 by \$340.

Check the answer of this question online at QuizOver.com:

Question: [You have a choice of two investments. Option Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/you-have-a-choice-of-two-investments-option-tony-pizur-regis-m-2624967?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/you-have-a-choice-of-two-investments-option-tony-pizur-regis-m-2624967?pdf=1505>

4. Chapter: Unit 01: Basic Tools of Optimization in Economics

1. Unit 01: Basic Tools of Optimization in Economics Questions

4.1.1. Given this function, $x^{-(1/5)}$, what is the first derivative?

Author: Tony Pizur

Given this function, $x^{-(1/5)}$, what is the first derivative?

Please choose only one answer:

- $9x^{-(1/5)}$
- $9x^{+(1/5)}$
- $-9x^{-(1/5)}$
- $-9x^{+(1/5)}$

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x - 1/5 x\$ what is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-1-5-x-what-is-the-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-1-5-x-what-is-the-tony-pizur-regis-math?pdf=1505>

4.1.2. Suppose a person starts at position $x=1$. Assume that the person's n...

Author: Tony Pizur

Suppose a person starts at position $x=1$. Assume that the person's next discrete choice on a decision tree is to either move to $x=0$ or $x=2$ and the results of that choice are governed by the equation, x^3-3x+3 . What is the correct choice and associated economic justification?

Please choose only one answer:

- Move to 0 because $f'(2) > f'(0)$ and $f'(1) = 0$ and $f'(x) > 0$ for $x \in [0, 2]$.
- Move to 0 because $|f'(2)| > |f'(0)|$ and $f'(1) = 0$ and $f'(x) < 0$ for $x \in [0, 2]$.
- Move to 2 because $|f'(2)| > |f'(0)|$ and $f'(1) = 0$ and $f'(x) > 0$ for $x \in [0, 2]$.
- Move to 2 because $f'(2) < f'(0)$ and $f'(1) = 0$ and $f'(x) > 0$ for $x \in [0, 2]$.

Check the answer of this question online at QuizOver.com:

Question: [Suppose a person starts at position x 1. Assume Tony @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-a-person-starts-at-position-x-1-assume-tony-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-a-person-starts-at-position-x-1-assume-tony-regis-math?pdf=1505>

4.1.3. Given this function, $x^2 - (1/5)x$, what is the second derivative?

Author: Tony Pizur

Given this function, $x^2 - (1/5)x$, what is the second derivative?

Please choose only one answer:

- $20x^3 - (1/5)$
- $(5/4)x^3$
- $5x^2$
- $20x^3$

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x^2 - 1/5 x\$ what is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-1-5-x-what-is-the-tony-pizur-regis-math-2625292?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-1-5-x-what-is-the-tony-pizur-regis-math-2625292?pdf=1505>

4.1.4. Given this function, x^2-5x , what is the maximum value for $x \in \pm 1.5$?

Author: Tony Pizur

Given this function, x^2-5x , what is the maximum value for $x \in \pm 1.5$?

Please choose only one answer:

- -4
- 0
- +4
- EMPTY

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x^2-5x\$ what is the maximum Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-5x-what-is-the-maximum-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-5x-what-is-the-maximum-tony-pizur-regis-math?pdf=1505>

4.1.5. Given this function, x^2-5x , what is the minimum value for $x \in \mathbb{R}$?

Author: Tony Pizur

Given this function, x^2-5x , what is the minimum value for $x \in \mathbb{R}$?

Please choose only one answer:

- -4
- 0
- +4
- EMPTY

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x^2-5x\$ what is the minimum Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-5x-what-is-the-minimum-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-5x-what-is-the-minimum-tony-pizur-regis-math?pdf=1505>

4.1.6. Given this function, x^2-5x , what is the maximum value for all value...

Author: Tony Pizur

Given this function, x^2-5x , what is the maximum value for all values of x ?

Please choose only one answer:

- -4
- 0
- +4
- EMPTY

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x^2-5x\$ what is the maximum Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-5x-what-is-the-maximum-tony-pizur-regis--2626021?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-5x-what-is-the-maximum-tony-pizur-regis--2626021?pdf=1505>

4.1.7. Given this function, x^2-5x , what is the minimum value for all value...

Author: Tony Pizur

Given this function, x^2-5x , what is the minimum value for all values of x ?

Please choose only one answer:

- -4
- 0
- +4
- EMPTY

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$x^2-5x\$ what is the minimum Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-x-5x-what-is-the-minimum-tony-pizur-regis--2626308?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-x-5x-what-is-the-minimum-tony-pizur-regis--2626308?pdf=1505>

4.1.8. Given this function, $\ln(x^3)+y^2+x^{(0.5)}$, what is the derivative with...

Author: Tony Pizur

Given this function, $\ln(x^3)+y^2+x^{(0.5)}$, what is the derivative with respect to x?

Please choose only one answer:

- $-(0.5)/(x^{(0.5)})+(3/x)+2y$
- $(0.5)/(x^{(0.5)})+(3/x)$
- $(0.5)/(x^{(0.5)})-(3/x)$
- $3\ln(x^2)+(0.5)/(x^{(0.5)})$

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$\ln x y x 0.5\$ what is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-ln-x-y-x-0-5-what-is-the-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-ln-x-y-x-0-5-what-is-the-tony-pizur-regis-math?pdf=1505>

4.1.9. Given this function, $\ln(x^3)+y^2+x^{(0.5)}$, what is the double derivati...

Author: Tony Pizur

Given this function, $\ln(x^3)+y^2+x^{(0.5)}$, what is the double derivative with respect to x?

Please choose only one answer:

- $(-4x^{(1.5)})^{(-1)}-3x^{(-2)}$
- $1/(4x^{(1.5)})-3/(x^2)$
- $6\ln(x)+1/(4x^{(1.5)})$
- $-1/(4x^{(1.5)})-3/(x^2)+2$

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$\ln x y x 0.5\$ what is the Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-ln-x-y-x-0-5-what-is-the-tony-pizur-regis--2626796?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-ln-x-y-x-0-5-what-is-the-tony-pizur-regis--2626796?pdf=1505>

4.1.10. Given this function, $f(x)=x^3-3x+3$, for what values of x is there a ...

Author: Tony Pizur

Given this function, $f(x)=x^3-3x+3$, for what values of x is there a local maximum and minimum?

Please choose only one answer:

- (-2,0)
- (-1,1)
- (-2,2)
- There is none; there are only global maxima and minima.

Check the answer of this question online at QuizOver.com:

Question: [Given this function \$f\(x\)=x^3-3x+3\$ for what values of \$x\$ is there a local maximum and minimum? Tony @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/given-this-function-f-x-x-3x-3-for-what-values-tony-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/given-this-function-f-x-x-3x-3-for-what-values-tony-regis-math?pdf=1505>

4. Chapter: Unit 03: Financial Theory, Risk, and Applications

1. Unit 03: Financial Theory, Risk, and Applications Questions

4.1.1. The compound rate of interest on a savings account is 3 percent. In...

Author: Tony Pizur

The compound rate of interest on a savings account is 3 percent. Inflation is 2 percent. You deposit \$111,111 and leave it in the account for five years. If the bank charges you a one-time \$45 fee to open the account, what will be the value in the account at the end of five years?

Please choose only one answer:

- \$128,808
- \$128,756
- \$128,763
- \$128,711

Check the answer of this question online at QuizOver.com:

Question: [The compound rate of interest on a savings Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/the-compound-rate-of-interest-on-a-savings-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/the-compound-rate-of-interest-on-a-savings-tony-pizur-regis-math?pdf=1505>

4.1.2. In which situation is arbitrage most likely to occur?

Author: Tony Pizur

In which situation is arbitrage most likely to occur?

Please choose only one answer:

- Between countries with similar inflation rates and similar interest rates.
- Between countries with a trade imbalance and significant tariffs.
- Between countries with extensive capital controls.
- Between countries with free trade and differing prices on goods.

Check the answer of this question online at QuizOver.com:

Question: [In which situation is arbitrage most likely Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/in-which-situation-is-arbitrage-most-likely-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/in-which-situation-is-arbitrage-most-likely-tony-pizur-regis-math?pdf=1505>

4.1.3. The compound rate of interest on a savings account is 3 percent. In...

Author: Tony Pizur

The compound rate of interest on a savings account is 3 percent. Inflation is -2 percent. You deposit \$111,111 and leave it in the account for five years. The bank charges you a one-time \$45 fee to open the account. How much more real purchasing power will the end balance have?

Please choose only one answer:

- \$28,320
- \$28,373
- \$28,737
- \$28,777

Check the answer of this question online at QuizOver.com:

Question: [The compound rate of interest on a savings Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/the-compound-rate-of-interest-on-a-savings-tony-pizur-regis-ma-2627292?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/the-compound-rate-of-interest-on-a-savings-tony-pizur-regis-ma-2627292?pdf=1505>

4.1.4. Suppose you bid at a government auction where the bids are sealed i...

Author: Tony Pizur

Suppose you bid at a government auction where the bids are sealed in envelopes with only one chance to bid. The winning bid gets the job and all others receive nothing. You bid on a job at a price of \$1 million, and you know that your cost is \$800,000. If the probability that you'll win is 25 percent, what is the expected value?

Please choose only one answer:

- \$0
- \$50,000
- \$200,000
- 25%

Check the answer of this question online at QuizOver.com:

Question: [Suppose you bid at a government auction where Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-bid-at-a-government-auction-where-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-bid-at-a-government-auction-where-tony-pizur-regis-math?pdf=1505>

4.1.5. Suppose you bid at a government auction where the bids are sealed i...

Author: Tony Pizur

Suppose you bid at a government auction where the bids are sealed in envelopes with only one chance to bid. The winning bid gets the job and all others receive nothing. All bidders must pay a \$50,000 bribe to participate. You bid on a job at a price of \$1 million, and you know that your cost to complete the job is \$800,000. If the probability that you'll win is 25 percent, what is the expected value?

Please choose only one answer:

- \$0
- \$37,500
- \$50,000
- 75%

Check the answer of this question online at QuizOver.com:

Question: [Suppose you bid at a government auction where Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-bid-at-a-government-auction-where-tony-pizur-regis-2627565?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-bid-at-a-government-auction-where-tony-pizur-regis-2627565?pdf=1505>

4.1.6. Suppose you consider bidding at a government auction where the bids...

Author: Tony Pizur

Suppose you consider bidding at a government auction where the bids are sealed in envelopes with only one chance to bid. The winning bid gets the job and all others receive nothing. All bidders must pay a \$50,000 bribe to participate. You intend to bid on a job at a price of \$1 million, and you know that your cost to complete the job is \$900,000. If the probability that you'll win is 25 percent, what is the rational course of action?

Please choose only one answer:

- Raise your bid to \$1,050,000.
- Raise your bid between \$1,000,000 and \$1,050,000.
- Raise your bid above \$1,050,000.
- Lower your bid to \$950,000.

Check the answer of this question online at QuizOver.com:

Question: [Suppose you consider bidding at a government Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-consider-bidding-at-a-government-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-consider-bidding-at-a-government-tony-pizur-regis-math?pdf=1505>

4.1.7. Suppose you buy a one-year debenture priced at \$1,000 yielding 10 p...

Author: Tony Pizur

Suppose you buy a one-year debenture priced at \$1,000 yielding 10 percent a year. There is a 5 percent chance the issuer will default on the payments and principal. What is your expected return?

Please choose only one answer:

- \$1,000
- \$1,045
- \$1,050
- \$1,100

Check the answer of this question online at QuizOver.com:

Question: [Suppose you buy a one-year debenture priced Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-buy-a-one-year-debenture-priced-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-buy-a-one-year-debenture-priced-tony-pizur-regis-math?pdf=1505>

4.1.8. Suppose you buy a one-year insured debenture priced at \$1,000 yield...

Author: Tony Pizur

Suppose you buy a one-year insured debenture priced at \$1,000 yielding 10 percent a year. There is a 5 percent chance the issuer will default on the payments only and return your principal. What is your expected return?

Please choose only one answer:

- \$1,000
- \$1,095
- \$1,098
- \$1,100

Check the answer of this question online at [QuizOver.com](http://www.quizover.com):

Question: [Suppose you buy a one-year insured debenture Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/suppose-you-buy-a-one-year-insured-debenture-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/suppose-you-buy-a-one-year-insured-debenture-tony-pizur-regis-math?pdf=1505>

4.1.9. On January 5, you buy a 10-year corporate bond yielding 3.5 percent...

Author: Tony Pizur

On January 5, you buy a 10-year corporate bond yielding 3.5 percent. On January 6, the Central Bank of the United States uses monetary policy to lower the rate on benchmark 10-year Treasuries from 1.5 percent to 1.0 percent. What is the new risk premium?

Please choose only one answer:

- 33%, or $(1.5\% - 1.0\%) / 1.5\%$
- 50%, or $(1.5\% - 1.0\%) / 1.0\%$
- 2.0%, or $3.5\% - 1.5\%$
- 2.5%, or $3.5\% - 1.0\%$

Check the answer of this question online at QuizOver.com:

Question: [On January 5 you buy a 10-year corporate bond Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/on-january-5-you-buy-a-10-year-corporate-bond-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/on-january-5-you-buy-a-10-year-corporate-bond-tony-pizur-regis-math?pdf=1505>

4.1.10. A Russian bank pays 15 percent interest on a one-year CD. A one-yea...

Author: Tony Pizur

A Russian bank pays 15 percent interest on a one-year CD. A one-year CD pays only 0.5 percent in Switzerland. What can we say about the relative inflation rates?

Please choose only one answer:

- The rate in Russia must be 14.5 percent higher than in Switzerland.
- The rate in Russia must be 30 times higher than in Switzerland.
- The rate in Russia must be higher but we cannot say by how much.
- There is insufficient information to draw a conclusion because we don't know the default risk.

Check the answer of this question online at QuizOver.com:

Question: [A Russian bank pays 15 percent interest on a Tony Pizur @Regis Math](#)

Flashcards:

<http://www.quizover.com/flashcards/a-russian-bank-pays-15-percent-interest-on-a-tony-pizur-regis-math?pdf=1505>

Interactive Question:

<http://www.quizover.com/question/a-russian-bank-pays-15-percent-interest-on-a-tony-pizur-regis-math?pdf=1505>