Preview Page 1 of 1 **PREVIEW** Quiz: The Government Is a Referee Question 1a of 10 (2 Unfair business practices 232473) maximum Attempts: Ouestion Type: Multiple Choice **Maximum Score:** Question: Why does the government need to regulate the free market to protect competition? Choice eedback Competition by itself cannot make companies efficient and innovative. orrect! Eliminating competition enables Producers driven by the profit motive seek to roducers to charge higher prices and make reduce their competition. reater profits. The government would always have a budget surplus if it didn't protect competition. Foreign producers are able to undersell domestic producers and drive them out of business. **Global Incorrect Feedback** The correct answer is: Producers driven by the profit motive seek to reduce their competition. Eliminating competition enables producers to charge higher prices and make greater profits. Question 1b of 10 (2 Unfair business practices 232474) **Maximum Attempts: Question Type:** Multiple Choice **Maximum Score:** Question: Which of these gives companies an anticompetitive impulse? Choice eedback efficiency market research correct! Eliminating competition enables the profit motive roducers to charge higher prices and make reater profits. consumer behavior Global Incorrect Feedback The correct answer is: the profit motive. Eliminating competition enables producers to charge higher prices and make greater profits. Question 1c of 10 (2 Unfair business practices 232475) **Maximum Attempts: Question Type:** Multiple Choice Maximum Score: **Question:** Vhat is one effect of the profit motive? eedhack Choice Correct! Eliminating competition enables It pushes companies to seek to eliminate roducers to charge higher prices and make competition. reater profits. It gives companies an incentive to raise wages. it enables the government to have a budget surplus. It prevents foreign companies from underselling domestic producers. **Global Incorrect Feedback** The correct answer is: It pushes companies to seek to eliminate competition. Eliminating competition enables producers to charge higher prices and make greater profits. Question 2a of 10 (1 Unfair business practices 232476) **Maximum Attempts:** Multiple Choice **Question Type: Maximum Score:** Question: wnat is a carter? eedback Choice a government agency protecting the rights of consumers an association of labor unions working toward higher wages an organization of countries attempting to lower correct! Cartels use price fixing and a group of producers working together to raise roduction limitation to increase the profits of prices and profits heir members. **Global Incorrect Feedback** The correct answer is: a group of producers working together to raise prices and profits. Cartels use price fixing and production limitation to increase the profits of their members. Question 2b of 10 (1 Unfair business practices 232477) **Maximum Attempts: Question Type:** Multiple Choice **Maximum Score:** Question: wnich of these is a group of producers working together to raise prices and increase profits? Choice eedback a labor union Correct! Cartels use price fixing and a cartel roduction limitation to increase the profits of a trading bloc defense contractors **Global Incorrect Feedback** The correct answer is: a cartel. Cartels use price fixing and production limitation to increase the profits of their members. Question 2c of 10 (1 Unfair business practices 232478) **Maximum Attempts: Question Type:** Multiple Choice **Maximum Score: Ouestion:** What unfair business practice do cartels use? Choice eedback bid rigging predatory pricing Correct! Cartels are groups of producers that price fixing gree to forgo competition and charge high rices in order to make greater profits. making misleading statements **Global Incorrect Feedback** The correct answer is: price fixing. Cartels are groups of producers that agree to forgo competition and charge high prices in order to make greater profits. Question 3a of 10 (3 Unfair business practices 232479) **Maximum Attempts: Question Type:** Matching **Maximum Score:** Question: Match each unfair business practice with an example of its use. **Correct Choice Text Match Text** Match A. predatory pricing C. A group of music companies agrees to charge \$20 for CDs. B. making misleading \ large furniture maker charges a price below production A. statements cost in order to eliminate small competitors. A coffee maker falsely claims that its drinks reduce the C. price fixing В. ttempt | Incorrect Feedback **Correct Feedback** Correct! Global Incorrect Feedback The correct answer is: predatory pricing: A large furniture maker charges a price below production cost in order to eliminate small competitors; making misleading statements: A coffee maker falsely claims that its drinks reduce the incidence of heart attacks; price fixing: A group of music companies agrees to charge \$20 for CDs. **Question 3b of 10** (3 Unfair business practices 232480) **Maximum Attempts:** Question Type: Matching **Maximum Score:** Question: Match each action with the unfair business practice it represents Correct **Choice Text Match Text** Match A defense contractor gets its competitors to agree not to A. bid rigging A. enter bids. A group or on companies agrees to charge \$5 for a gallon of B. production limitation C. A cartel of sugar growers agrees to reduce the amount of C. price fixing sugar it brings to market. ttempt Incorrect Feedback st **Correct Feedback** Correct! **Global Incorrect Feedback** The correct answer is: bid rigging: A defense contractor gets its competitors to agree not to enter bids; production limitation: A cartel of sugar growers agrees to reduce the amount of sugar it brings to market; price fixing: A group of oil companies agrees to charge \$3 for a gallon of gas. Ouestion 3c of 10 (3 Unfair husiness practices 232481) **Maximum Attemnts: Question Type:** Matching **Maximum Score:** 2 Question: Match each type of unfair business practice with its description. Correct **Choice Text Match Text** Match A group or companies agrees to charge the same inflated A. vendor lock-in В. price for a good. A company says that a wide range of products can be used B. price fixing A. with its product, which is not actually true. A large company charges a price below production cost in C. predatory pricing C. order to eliminate small competitors. ttempt Incorrect Feedback Sι **Correct Feedback** Correct! **Global Incorrect Feedback** The correct answer is: vendor lock-in: A company says that a wide range of products can be used with its product, which is not actually true; price fixing: A group of companies agrees to charge the same inflated price for a good; predatory pricing: A large company charges a price below production cost in order to eliminate small competitors. **Question 4a of 10** (2 Consumer protection regulations 232482) **Maximum Attempts:** Multiple Choice Question Type: Maximum Score: **Question:** What is one benefit of consumer-protection regulations? Choice eedhack a switch to progressive taxation an increase in government power 1_ Correct! Many consumer-protection a reduction in injuries and deaths egulations provide for safer products that educe harm to consumers. higher prices charged by producers **Global Incorrect Feedback** The correct answer is: a reduction in injuries and deaths. Many consumer-protection regulations provide for safer products that reduce harm to consumers. **Question 4b of 10** (2 Consumer protection regulations 232483) **Maximum Attempts:** Question Type: минтріе споісе **Maximum Score: Ouestion:** What is one benefit of consumer-protection regulations? andhack increased costs to husiness higher prices for consumers hroadened government nower Correct! When consumers know that they re protected, they have more confidence greater consumer confidence hat the products they buy are safe and ruthfully advertised. **Global Incorrect Feedback** The correct answer is: greater consumer confidence. When consumers know that they are protected, they have more confidence that the products they buy are safe and truthfully advertised. Question 4c of 10 (2 Consumer protection regulations 232484) Maximum Attempts: Question Type: Multiple Choice Maximum Score: Question: What is one crawback to consumer-protection regulations? Choice eedback Correct! Complying with consumer-protect on egulations costs producers money, and they higher prices for consumers ass these costs along to consumers. workplace safety reduced tariff levels streamlined production Global Incorrect Feedback The correct answer is: higher prices for cor sumers. Complying with cor sumer-protection regulations costs producers money, and they pass these costs along to consumers. Question 5a of 10 (2 Consumer protection regulations 232485) **Maximum Attempts:** Multiple (Hoice Question Type: Maximum Score: What do consumer-advocacy groups do? Question: Choice eedback regulate businesses misrepresent products contract with the government Correct! Consumer-advocacy groups provide promote the interest of consumers roduct information and advice to help onsumers protect themselves. Glabal Incorrect Feedback The correct answer is: promote the interest of cor sumers. Consumer-advocacy groups provide product information and advice to help cor sumers protect themselves. **Ouestion 5b of 10** (2 Consumer protection regulations 232486) Maximum Attempts: Question Type: Multiple Choice Maximum Score: Question: What is one way that consumer-advocacy groups help protect consumers? eedback by lobbying for antitrust laws Correct! Reliable information helps by providing product information onsume's make better choices. by enforcing consumer-protection regulations by contracting with the government to provide ١. ыстат тисоп ест неепраск into correct a iswer is: by providing product information. Reliable information helps cor sumers make better choices. **Question 5c of 10** (2 Consumer protection regulations 232487) Maximum Attempts: Multiple Choice Question Type: Maximum Score: Juestion. What is the nurnose of consumer-advocary arouns? Споісе eeapack to enforce consumer-protection regulations to labby the accomment for lawer taxes Correct! Consumer-advocacy groups provide roduct information and advice to help to promote the interest of consumers onsumers protect then selves. to provide essential social services Global Incorrect Feedback The correct answer is: to prompte the interest of consumers. Consumer-advocacy groups provide product information and advice to help cor sumers protect themselves. **Question 6a of 10** (2 Consumer protection regulations 232488) Maximum Attempts: Question Type: Multiple Choice Maximum Score: Question: What does enforcing consumer protection regulations in volve? eedback Choice the use of a progressive taxation system orrect! | ne government makes sure that government oversight of the production process he processes used by producers lead to afe products. compromises between the president and Congress preventing companies from following the profit Global Incorrect Feerlhack The correct answer is: government oversight of the production process. The government makes sure that the processes used by producers lead to safe products. Question 6b of 10 (2 Consumer protection regulations 232489) Maximum Attempts: Question Type: Multiple Choice Maximum Score: Question: What does the government have to do to enforce consumer-protection Choice eedback orrect! | ne government makes sure that oversee production he processes used by producers lead to afe products. lower tariffs break up monopolies avoid a budget deficit Global Incorrect Feedback The correct answer is: oversee production. The government makes sure that the processes used by producers lead to safe products. Ouestion 6c of 10 (2 Consumer projection regulations 232490) Maximum Attempts: Question Type: Multiple Choice Maximum Score: Question: What is one thing the government does as it enforces consumer-protection regulations? Choice eedback collects tariffs from foreign producers prevents cartels from engaging in price fixing or production limitation makes sure publicly-traded companies provide stockholders with financial records correct! The government makes sure the tests products such as drugs and automobiles for roducts that are brought to market are safe or consumers to use. Clabal Incorrect Feethack The correct answer is: tests products such as drugs and automobile; for safety. The government makes sure the products that are brought to market are safe for consumers to use: **Question 7a of 10** (3 Consumer protection regulations 232491) Maximum Attempts: Question Type: Matching Maximum Score: Question: Match each company or organization with the correct label. Correct **Choice Text Match Text** Match A. Organization of Petroleum Exporting Countries (OPEC) C. competition regulator B. Lockheed Martin Corporation В. government contractor C. Antitrust Division of the Department of Justice A. cartel ttempt Incorrect Feedback st Correct Feedback Correct! **Global Incorrect Feedback** The correct answer is: Organization of Petroleum Exporting Countries (OPEC): cartel; Lockheed Martin Corporation: Government contractor; Antitrust Division of the Department of lustice: competition regulator **Question 7b of 10** (3 Consumer protection regulations 232492) Mavimum Attemnter Ouestion Type: Matchina Maximum Score: Ouestion: Match each company, organization, or agency with the correct label. Correct **Match Text Choice Text** Match consumer advocacy publication A. Consumer Reports A. **B.** Food and Drug Administration (FDA) В. consumer protection agency C. rederai Trade Commission (FTC) competition regulator ttempt Incorrect Feedback **Correct Feedback** Correct! **GIODAI INCOFFECT FEEDDACK** The correct answer: Consumer Reports: consumer advocacy publication; Food ar d Drug Administration (FDA): consumer protection agency; Federal Trade Commission (FTC): competition regulator. Question 7c of 10 (3 Consumer protection regulations 232493) Maximum Attempts: Matching Question Type: Maximum Score: Question: match each company or organization with the correct label. Correct **Choice Text** Match Text Match A. Boeing Corporation C. competition regulator **B.** Federal Aviation Administration (FAA) A. government contractor consumer-protection agency C. Federal Trade Commission (FTC) В. Attempt | Incorrect Feedback st **Correct Feedback** Correct! **Global Incorrect Feedback** The correct answer is: Boeing Corporation: government contractor; Federal Aviation Administration (FAA): consumer-protection agency; Federal Trade Commission (FTC): competition regulator. **Question 8a of 10** (2 Consumer protection regulations 232494) **Maximum Attempts: Question Type:** Multiple Choice **Maximum Score:** Question: What happens to the expenses involved in compliance with government regulations? Choice eedback absorbed by investors shouldered by taxpayers Correct! Complying with consumer-protection egulations costs producers money, which passed on to the consumer icreases production costs that are ventually passed along to consumers in the orm of higher prices. covered by transfer payments **Global Incorrect Feedback** The correct answer is: passed on to the consumer. Complying with consumer-protection regulations costs producers money, which increases production costs that are eventually passed along to consumers in the form of higher prices. **Question 8b of 10** (2 Consumer protection regulations 232495) **Maximum Attempts:** Multiple Choice Question Type: Mavimum Scara **Ouestion:** Who ultimately pays for compliance with government regulations? andhack Chaica Correct! Complying with consumer-protection egulations costs producers money, which consumers ncreases production costs that are ventually passed along to consumers in the orm of higher prices. the government producers workers **Global Incorrect Feedback** The correct answer is: consumers. Complying with consumer-protection regulations costs producers money, which increases production costs that are eventually passed along to consumers in the form of higher prices. Question 8c of 10 (2 Consumer protection regulations 232496) **Maximum Attempts:** Multiple Choice **Question Type:** Maximum Score What is done with the costs of complying with consumer-protection **Question:** regulations? Choice eedback correct! Complying with consumeregulations costs producers money, which eventually passed on to consumers in the form of icreases production costs that are higher prices ventually passed along to consumers in the arm of higher price absorbed by producers who are forced to cut into reduced by transfer payments enabled by revenue `. shouldered by workers in the form of decreased ١. wages **Global Incorrect Feedback** Ine correct answer is: eventually passed on to consumers in the form of higher prices. Complying with consumer-protection regulations costs producers money, which increases production costs that are eventually passed along to consumers in the form of higher prices. Question 9a of 10 (1 Federal budget 232497) **Maximum Attempts:** Question Type: Multiple Choice Mavimum Score Which of these enables the government to make up for a budget deficit? Question: Chaica aadback monetary policy 1_ regressive taxation defense contractors correct! The government issues bonds to the bond market over the costs that exceed its revenues. Global Incorrect Feedback The correct answer is: the bond market. The government issues bonds to cover the costs that exceed its revenues. Question 9b of 10 (1 Federal budget 232498) maximum Attempts: Multinla Chaica **Ougstion Type** Maximum Score: Question: In order to make up for a budget deficit, the government can do what? Choice eedback reduce tariffs correct! The government gets money from issue bonds ondholders to cover the difference between evenues and spending. increase the money cumply start government cornorations **Global Incorrect Feedback** The correct answer is: issue bonds. The government gets money from bondholders to cover the difference between revenues and spending. Question 9c of 10 (1 Federal budget 232499) **Maximum Attempts:** Question Type: Multiple Choice Mavimum Score: Question: When the government runs a budget deficit, what must it eventually do in order to pay back its debt? Choice eedback cut spending print more money Correct! Budget deficits must eventually be alanced by budget surpluses so that the have a budget surplus overnment can pay back those it owes noney to. reduce regulations **Global Incorrect Feedback** The correct answer is: have a budget surplus. Budget deficits must eventually be balanced by budget surpluses so that the government can pay back those it owes money to. **Question 10a of 10** (3 Consumer protection regulations 232500) **Maximum Attempts:** Multiple Choice **Question Type: Maximum Score:** Question: How do antitrust laws affect the circular flow of the free-market system? eedback Choice They increase the collection of taxes. They slow the flow of investment. Correct! Antitrust laws increase the number They speed up the flow of capital and wages. f producers, providing a wider channel for xpenditures to flow. They decrease consumption. **Global Incorrect Feedback** The correct answer is: They speed up the flow of capital and wages. Antitrust laws increase the number of producers, providing a wider channel for expenditures to flow. Question 10b of 10 (3 Consumer protection regulations 232501) **Maximum Attempts:** Multiple Choice **Question Type: Maximum Score:** Question: What effect do consumer-protection regulations have on the circular flow of the free-market system? CHOICE eeuback They increase costs for producers, which slows the flow of investment. They divert resources to government planners, which cuts down on economic activity. They lead to increased prices and higher taxes, which reduces the flow to almost nothing. correct! When consumers are protected, They inspire consumer confidence, which leads to hey feel secure and typically buy more increased purchases from producers. and carvicae **Global Incorrect Feedback** The correct answer is: They inspire consumer confidence, which leads to increased purchases from producers. When consumers are protected, they feel secure and typically buy more goods and services. Ouestion 10c of 10 (3 Consumer protection regulations 232502) **Maximum Attempts: Question Type:** Multiple Choice **Maximum Score:** Question: Which of these inspires consumer confidence, increases purchases, and speeds up the flow of investment and wages in the circular flow of the freemarket system? Choice eedback Correct! When consumers are protected, consumer-protection regulations hey feel secure and typically buy more oods and services. antitruct lawc fractional receive hanking the provision of public goods **Global Incorrect Feedback** The correct answer is: consumer-protection regulations. When consumers are protected, they feel secure and typically buy more goods and services. D:\clases\Economics\5.3.5.mht 02/04/2012