



Microeconomics – Extra Questions

Meeting 1



Welcome To Success Formula Extra Questions

What Is It?

This free set of custom questions gives you a clear taste of what to expect on the exam and helps you check if you are keeping up with the material. They are based on our Weekly Meetings and cover the key topics you need to know (slightly delayed since meetings start in Week 2). The difficulty of each question is shown in the corner by the number of lit Success Formula logos. Share, discuss, and have fun testing your knowledge with them! 😊

How Does It Work?

Give the questions a go on your own! We are not giving the answers on purpose. Peeking would make it way too easy. Stuck or unsure? Come into into our WhatsApp group and discuss them with us. The link/QR is on the last slide if these questions were shared with you.



Exam Time!



Question

Consider two goods, AAA and BBB. If good AAA is a normal good and good BBB is an inferior good, which of the following statements must be true?

Answers

- A. As income increases, demand for both goods AAA and BBB increases.
 - B. As income increases, demand for good AAA increases and demand for good BBB decreases.
 - C. As income increases, demand for good AAA decreases and demand for good BBB increases.
 - D. Demand for good AAA is unaffected by income changes, while demand for good BBB decreases as income increases.
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Exam Time!



Question

If a consumer's utility function is $U(x, y) = x^{0.5}y^{0.5}$ and the prices of goods $P_x = 4$ and $P_y = 1$ respectively, with an income of $I = 100$, what is the consumer's optimal bundle?

Answers

- A. $x=12.5$ and $y=50$
- B. $x=25$ and $y=25$
- C. $x=20$, $y=40$
- D. $x=10$, $y=60$



Exam Time!



Question

Suppose a consumer faces the following budget constraint: $2x+3y=60$. If the consumer's utility is $U(x, y) = x + y$, what is the consumer's optimal choice of x and y ?

Answers

- A. $x=0$ and $y=0$
- B. Any combination where $2x+3y=60$
- C. $x=30$ and $y=0$
- D. $x=15$ and $y=10$



Exam Time!



Question

A perfectly competitive firm faces a market price of €50. Its total revenue is €1,000 when it sells 20 units. What is the price elasticity of demand faced by the firm?

Answers

- A. 0
 - B. 1
 - C. -1
 - D. Infinite
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Exam Time!



Question

Consider the exam including both economics and accounting questions all of the same difficulty. You have studied more for accounting than economics, so you are able to answer 3 accounting questions at the same time as 2 economics questions. What is your opportunity cost of answering 1 economics question?

Answers

- A. 3 accounting questions.
 - B. $\frac{3}{2}$ accounting questions.
 - C. 2 accounting questions.
 - D. $\frac{2}{3}$ accounting questions.
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