



Microeconomics – Extra Questions

Meeting 6 by Sjuul



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. 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

Sjuul and Edward participate in a game with two strategies, A or B. If both choose strategy A, Edward's payoff is 2, Sjuul's payoff is 1. If both choose strategy B, Edward's payoff is 1, Sjuul's payoff is 2. If both select different strategies, the payoffs are 0. Is there a Nash Equilibrium?

Answers

- A. Yes, there are two Nash Equilibria: Edward and Sjuul both select the same strategy (either A or B).
 - B. No.
 - C. Yes, there are four Nash Equilibria.
 - D. Yes, there are two Nash Equilibria: Both players select a different strategy.
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Appendix: Exam Time!

Question

Thomas and Florian decide to play a game with two possible strategies, A or B. If both select the same strategy, Thomas receives a payoff of 2 and Florian receives a payoff of 1. Otherwise, Florian receives the payoff of 2 and Thomas receives the payoff of 1. Is there a Nash Equilibrium?

Answers

- A. Yes, all four combinations are Nash Equilibria.
 - B. No.
 - C. Yes, there are two: Thomas and Florian select the same strategy.
 - D. Yes, there are two: Thomas and Florian select a different strategy.
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Exam Time!



Question

Two firms compete in quantities. Firm 1's cost function is $C_1(q_1) = 10q_1$, and Firm 2's cost function is $C_2(q_2) = 10q_2$. The market price is $P = 100 - (q_1 + q_2)$. What is the equilibrium price if both firms compete on price?

Answers

- A. 10
- B. 20
- C. 30
- D. 40



Exam Time!



Question

A monopolist's marginal cost is constant at \$10. Demand is $P = 50 - Q$. What is the deadweight loss at the profit-maximizing output?

Answers

- A. 100
- B. 200
- C. 400
- D. 800



Exam Time!



Question

Why is collusion among oligopolists typically unstable?

Answers

- A. It leads to legal sanctions.
 - B. Firms have incentives to deviate for higher profits.
 - C. Collusion reduces deadweight loss.
 - D. It increases marginal costs for all firms.
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