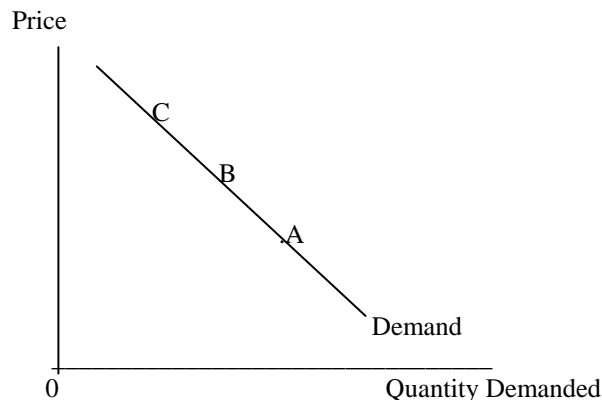




1. The **law of demand** states that:
  - a. as the quantity demanded rises, the price falls
  - b. as the price rises, the quantity demanded falls
  - c. as income rises, the demand for the product rises
  - d. as supply rises, the demand rises
2. The **price elasticity of demand** is the:
  - a. percentage change in quantity demanded divided by the percentage change in price
  - b. percentage change in price divided by the percentage change in quantity demanded
  - c. dollar change in quantity demanded divided by the dollar change in price
  - d. percentage change in quantity demanded divided by the percentage change in quantity supplied
3. If the **price elasticity of demand** equals 5.0, the demand for the product is:
  - a. relatively inelastic
  - b. perfectly inelastic
  - c. relatively elastic
  - d. unit elastic
4. Community Colleges desired to increase revenues. They decided to raise fees paid by students with Bachelors degrees to \$50 because they believed this would result in greater revenues. But the revenues received actually fell. Therefore, the demand for Community College courses by people with Bachelors degrees must have been:
  - a. relatively inelastic
  - b. unit elastic
  - c. relatively elastic
  - d. perfectly elastic
5. The demand for a product would be **more elastic**:
  - a. the shorter is the time under consideration
  - b. the greater is the number of substitutes available to buyers
  - c. the less expensive is the product in relation to incomes
  - d. all of the above
6. The following is a demand curve for a product. At which point along this demand curve is the demand for the product likely to be **most inelastic**? (Hint: the elasticity is related to how expensive the product is)



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7. If the price of television sets fell and, as a result, the demand for video recorders rose, we could conclude that video recorders and DVD Players are  
a. normal goods    b. substitutes    c. complements    d. unrelated
8. Which of the following would cause the demand for gasoline to **shift to the left**?  
a. a decrease in the price of automobiles due to interest-free financing  
b. the price of gasoline falls by \$0.50 per gallon  
c. buyers buy SUVs that are larger and obtain fewer miles per gallon  
d. for health reasons, people desire to bicycle more  
e. all of the above
9. The **cross elasticity of demand** is most likely to be a **negative** number for which of the following:  
a. American cars and Japanese cars    c. Palomar College and Mira Costa College  
b. Hamburger and hamburger buns    d. Coca Cola and Wine
10. The **income elasticity of demand** is **negative** for a/an:  
a. positive good    c. normal good  
b. elastic good    d. inferior good
11. The **law of supply** states that, other things being unchanged,  
a. as the price rises, the quantity supplied rises  
b. as the price rises, the quantity supplied falls  
c. as the supply rises, the price falls  
d. as the demand rises, the supply falls
12. Which of the following would cause the supply curve of wheat to **shift to the left**?  
a. an increase in wages paid to agricultural workers  
b. technological changes which lower the costs of production  
c. an increase in the number of wheat growers  
d. an increase in the price of wheat
13. If the price is **below** equilibrium,  
a. quantity demanded equals quantity supplied    c. there are surpluses  
b. there are shortages    d. demand must shift to the right
14. Assume that a market begins in equilibrium. Then, there is **an increase in buyers' incomes**. When the new equilibrium is reached:  
a. the price and the quantity will both have risen  
b. the price and the quantity will both have fallen  
c. the price will have risen and the quantity will have fallen  
d. the price will have fallen and the quantity will have risen
15. Assume that a market begins in equilibrium. Then, there is **an increase in a cost of production**. When the new equilibrium is reached:  
a. the price and the quantity will both have risen  
b. the price and the quantity will both have fallen  
c. the price will have risen and the quantity will have fallen  
d. the price will have fallen and the quantity will have risen

Answers: 1. B 2. A 3. C 4. C 5. B 6. A 7. C 8. D 9. B 10. D 11. A 12. A 13. B 14. A 15. C

1. The **incidence of a tax** will be more on the **sellers** of the product if
  - a. the price elasticity of demand is low
  - b. the price elasticity of demand is high
  - c. the income elasticity of demand is low
  - d. the cross elasticity of demand is high
2. In the case of **agriculture**, the demand for grains and the supply of grains are both likely to be
  - a. relatively elastic
  - b. relatively inelastic
  - c. perfectly elastic
3. In the case of **agriculture**,
  - a. the demand has shifted to the right less than the supply has shifted to the right
  - b. the demand has shifted to the right more than the supply has shifted to the right
  - c. the demand has shifted to the left more than the supply has shifted to the left
  - d. the demand has shifted to the left less than the supply has shifted to the left
4. Because of what happened in question 3, the **prices** of grain products have
  - a. risen
  - b. fallen
  - c. stayed unchanged
5. Which of the following would cause both rents to rise and the quantity of apartments available also to rise?
  - a. the rent supplement program
  - b. the building subsidy program
6. The **agricultural price support program** is an example of
  - a. a price ceiling
  - b. a price floor
  - c. equilibrium pricing
7. The **agricultural price support program** is likely to create
  - a. shortages
  - b. surpluses
  - c. equilibrium quantity
8. If there is a **price ceiling**, there will be
  - a. shortages
  - b. surpluses
  - c. equilibrium
9. If there is a **price ceiling**, which of the following is likely to occur?
  - a. rationing by first-come, first-served
  - b. black markets
  - c. gray markets
  - d. sellers charging for goods that were formerly provided for free
  - e. all of the above
10. In Chapter 8, which of the following describes the situation for **water in California**?
  - a. the price is equal to the equilibrium price
  - b. the price is below the equilibrium price
  - c. the price is above the equilibrium price

Answers: 1. B 2. B 3. A 4. B 5. A 6. B 7. B 8. A 9. E 10. B

1. In the system of **laissez faire**, which of the following would be an appropriate function of government?
  - a. providing national defense
  - b. government requiring warning labels on cigarettes
  - c. government having anti-trust laws
  - d. a and b only
  - e. a, b, and c
2. What of the following has the characteristic of a **public good**?
  - a. pollution
  - b. disease prevention
  - c. Palomar College
  - d. electricity
3. Which of the following provided a **negative externality**?
  - a. air pollution
  - b. the invention of the computer
  - c. the downtown baseball stadium
  - d. producing a product buyers like
4. Which of the following provided a **positive externality**?
  - a. air pollution
  - b. research and development
  - c. highway congestion
  - d. over-fishing
5. To bring about socially desirable results, **private property rights** need to be:
  - a. exclusive
  - b. transferable
  - c. enforceable
  - d. all of the above
6. Which of the following would be considered a **merit good**?
  - a. national defense
  - b. the beach
  - c. new homes
  - d. textbooks for your course
7. According to **Public Choice Theory**, many people are unlikely to vote because:
  - a. the marginal benefit of voting is perceived as less than the marginal opportunity cost
  - b. special interests force many people not to vote
  - c. people are lazy and apathetic
  - d. bureaucrats actually run the government
8. According to **Public Choice Theory**, why is the farm program enacted when the gains to society from it are much less than the costs to society?
  - a. the benefits are concentrated while the costs are widespread
  - b. the benefits are widespread while the costs are concentrated
  - c. the benefits and costs are both concentrated
  - d. the benefits and costs are both widespread
9. Why is water free while diamond is very expensive?
  - a. the **total utility** of diamond is greater than of water
  - b. water is less important than diamond.
  - c. the **marginal cost** of water is greater than of diamond
  - d. the **marginal utility** of the last unit of diamond is greater than that of water
10. The **utility** of a unit of a particular good is actually measured by:
  - a. the number of utils one believes the unit is worth
  - b. the number of dollars one would be willing to sacrifice in order to have that unit
  - c. the cost of producing that unit of the good
  - d. the profits made by the company that produced that unit
11. Assume that the percent of sales in an industry is as follows:  
(1) 40% (2) 20% (3) 10% (4) 10% (5) 10% (6) 5% (7) 5%  
The **concentration ratio** for this industry is:
  - a. 50%
  - b. 80%
  - c. 90%
  - d. 95%
  - e. 100%

12. Using the numbers in question 1, the **Herfindahl Index** is equal to:  
 a. 1600   b. 2200   c. 2350   d. 10,000   e. 80
13. Using the numbers in question 11, the industry would be categorized as:  
 a. effectively competitive   b. weak oligopoly   c. strong oligopoly   d. monopoly

Answers: 1. E 2. B 3. A 4. B 5. D 6. B 7. A 8. A 9. D 10. B 11. B 12. C 13. C

### Quiz on Anti-Trust (Chapter 10)

- The **Sherman Act of 1890** makes which of the following illegal?
  - monopoly
  - oligopoly
  - monopolistic competition
  - all of the above
- Which of the following was/were made illegal under the **Clayton Act** if the effect was to reduce competition?
  - price fixing
  - price discrimination
  - bundling
  - all of the above
- When General Electric, a maker of electrical appliances, bought NBC, the **merger** was:
  - horizontal
  - vertical
  - conglomerate
  - illegal
- Suppose there are eight companies in an industry with the following percent of sales:
 

A 20%	C 20%	E 10%	G 5%
B 20%	D 10%	F 10%	H 5%

Suppose that companies G and H wished to merge into one company. Under the **Merger Guidelines** used by the Department of Justice, the merger would be:

- approved
  - not approved
5. Which of the following companies was broken-up because of a violation of **Section 2 of the Sherman Act**?
- General Electric
  - Standard Oil
  - IBM
  - American Airlines
  - Levi Strauss

Answers: 1. A 2. D 3. C 4. A 5. B

### Quiz on Health Care (Chapter 22)

- Health care is an industry which generates **market failure** because of:
  - information asymmetry
  - monopoly power
  - payment by 3<sup>rd</sup> parties (insurance companies)
  - all of the above
- Health insurance must cover **all** of the employees in a company, not just those who choose coverage, because of:
  - hospitals being non-profit
  - adverse selection
  - supplier-induced demand
  - monopoly
- “a person can unexpectedly raise the costs to the health insurance company because the company cannot fully monitor that person’s behaviors” is called:
  - moral hazard
  - supplier-induced demand
  - adverse selection
  - Lemon’s Principle

4. Health care costs have risen greatly because
  - a. the demand for health care has risen as the population has become older
  - b. the demand for health care has risen as a result of the existence of health insurance
  - c. there have been restrictions on the increase in the number of physicians
  - d. worker productivity growth in health care has been slow
  - e. all of the above
  
5. An organization that accepts a fixed fee for each employee, regardless of the amount of health care service provided, and pays doctors a salary is called:
  - a. a Preferred Provider Organization (PPO)
  - b. National Health Insurance
  - c. a Health Maintenance Organization (HMO)
  - d. Medicare

Answers: 1. D 2. B 3. A 4. E 5. C

1. When the **marginal physical product** is falling, the **marginal cost** must be  
 a. falling b. rising c. staying the same

Quantity	Labor	Fixed Cost	Variable Cost	Total Cost
50	1	\$100	\$20	\$120
120	2	100	40	140
220	3	100	60	160
300	4	100	100	200
350	5	100	145	245

2. Using these numbers, the **average fixed cost** of producing 300 units is:  
 a. \$100 b. \$0.33 c. \$200 d. \$0.60
3. Using the same numbers, the **average variable cost** of producing 50 units is:  
 a. \$0.40 b. \$2.00 c. \$2.40 d. \$120
4. Using the same numbers, the **average total cost** of producing 350 units is:  
 a. \$245 b. \$0.70 c. \$0.41 d. \$1.43
6. When the average total cost is **falling**, the marginal cost must be  
 a. falling b. below the average total cost c. above the average total cost d. equal to the average total cost
7. When it is drawn, what shape does the average total cost have?  
 a. downward-sloping c. U – shape  
 b. upward-sloping d. vertical
8. “When the quantity produced increases, the amount of capital used can also increase. With a greater amount of capital, the cost per unit of producing the product **stays the same.**” This statement describes:  
 a. economies of scale b. diseconomies of scale c. constant returns to scale d. economies of scope
9. “When the quantity produced increases, the amount of capital used can also increase. With a greater amount of capital, the cost per unit of producing the product **falls.**” This statement describes:  
 a. economies of scale b. diseconomies of scale c. constant returns to scale d. economies of scope
10. The smallest quantity one needs to produce in order to be able to produce at the lowest possible cost per unit is called the  
 a. minimum efficient scale c. dynamic increasing returns to scale  
 b. long-run d. economies of scope
10. If we examine actual **long-run average total cost curves** for specific industries, we usually observe  
 a. economies of scale throughout c. economies of scale followed by diseconomies of scale  
 b. diseconomies of scale throughout d. economies of scale followed by constant returns to scale

Answers: 1. B 2. B 3. A 4. B 5. B 6. C 7. C 8. A 9. A 10. D

1. **Long-run equilibrium** occurs when:
  - a. Economic profits are at their maximum
  - b. Marginal revenue equals marginal cost
  - c. Economic profits are zero
  - d. New firms enter the industry
2. For a constant-cost industry, the **long-run industry supply curve** is:
  - a. horizontal
  - b. vertical
  - c. upward-sloping
  - d. downward-sloping
3. For a **monopolist**, price is:
  - a. less than marginal revenue
  - b. greater than marginal revenue
  - c. equal to marginal revenue
  - d. sometimes greater and sometimes less than marginal revenue
4. A monopoly company:
  - a. faces a downward-sloping demand curve for its product
  - b. can charge any price that it wants
  - c. will earn an economic profit of zero in the long-run
  - d. all of the above
5.
 

Quantity	Price	Total Cost
1	\$ 90	\$ 70
2	85	150
3	80	240
4	75	340
5	70	460

This monopolist should produce:

  - a. 1
  - b. 2
  - c. 3
  - d. 4
  - e. 5
6. Compared to the case of perfect competition, a monopolist is more likely to:
  - a. charge a lower price
  - b. produce a lower quantity of the product
  - c. produce a quantity at which average total cost is minimized
  - d. produce where the price is less than the marginal cost (allocative efficiency)
7. Which of the following best describes **price discrimination**?
  - a. charging different prices for goods with different costs of production
  - b. charging different prices based on differences in product quality
  - c. charging different prices on the basis of race
  - d. charging different prices to different buyers based on differences in the price elasticity of demand
8. In price discrimination, the **lower price** goes to that section of the market where:
  - a. cost per unit is lower
  - b. demand is more elastic
  - c. demand is lower
  - d. demand is more inelastic
9. Which of the following is necessary for a **natural monopoly**?
  - a. economies of scale
  - b. a high proportion of the total cost is the cost of capital
  - c. the market is very small
  - d. all of the above
10. Which of the following resulted from the way by which SDG&E was regulated by the PUC?
  - a. when demand fell, the price would rise
  - b. there were incentives to produce as efficiently as possible
  - c. there were incentives to buy fewer capital goods than would be bought by an unregulated company
  - d. the price was set equal to the marginal cost

Answers: 1. C 2. A 3. B 4. A 5. B 6. B 7. D 8. B 9. D 10. A

1. If a company is a monopoly and there is a **decrease in a fixed cost of production**
  - a. the quantity produced rises
  - b. the price falls
  - c. the economic profits rise
  - d. all of the above
2. If a company is a monopoly and there is a **decrease in a variable cost of production**,
  - a. the quantity produced rises
  - b. the price of the product falls
  - c. the economic profits rise
  - d. all of the above
3. Which of the following will result in **monopolistic competition** in the long-run?
  - a. production at the minimum of the average total cost
  - b. allocative efficiency
  - c. zero economic profits
  - d. all of the above
4. Assume a company in monopolistic competition begins in long-run equilibrium. Then, there is an **increase in demand for the product**. Which of the following will occur in the short-run?
  - a. the quantity sold will rise
  - b. the price will rise
  - c. the profits will rise
  - d. all of the above
5. Taking the situation in the previous question, what will result in **the long-run**?
  - a. sellers will leave the industry
  - b. the price charged will fall
  - c. economic profits will stay above zero
  - d. nothing changes in the long-run
6. “One company meeting with another company for the purpose of agreeing to increase prices” is called
  - a. a cartel
  - b. price leadership
  - c. a monopoly
  - d. monopolistic competition
7. **Cartels** tend not to last very long because:
  - a. the demand for their product is inelastic
  - b. there are few sellers in a cartel
  - c. they have high barrier to entry
  - d. each seller has an incentive to cheat on the others

Answers: 1. C 2. D 3. C 4. D 5. B 6. A 7. D

### Quiz on Information Technology (Chapter 19)

1. Which of the following is true about companies producing information goods?
  - a. fixed costs are high, marginal costs are low
  - b. fixed costs are low, marginal costs are high
  - c. fixed costs and marginal costs are both high
  - d. fixed costs and marginal costs are both low
2. Industries producing information goods are likely to become:
  - a. perfectly competitive
  - b. monopolistic
  - c. regulated by the government
3. If the value of a product increases as the number of people using it increases, there is/are:
  - a. a contestable market
  - b. an experience good
  - c. network externalities
  - d. a public good
4. If an industry has one or a few companies, but there are no barriers to entry, the industry is:
  - a. a contestable market
  - b. an experience good
  - c. a proprietary standard
  - d. a public good
5. The **QWERTY keyboard** has been used to illustrate which of the following:
  - a. path dependence
  - b. positive feedback
  - c. lock-in
  - d. all of the above

Answers: 1. A 2. B 3. C 4. A 5. D

1. Which of the following concepts represents the extra revenue a firm receives from the services of an additional unit of a factor of production?
  - a. total revenue
  - b. marginal product of a factor
  - c. marginal revenue product
  - d. marginal revenue
  
2. For the case of a perfectly competitive product market, the **marginal revenue product** equals:
  - a. total revenue times marginal physical product
  - b. price times total physical product
  - c. marginal revenue times average physical product
  - d. price times marginal physical product
  
3. A profit-maximizing competitive firm will hire labor in a competitive labor market up to the point at which the \_\_\_\_\_ equals the \_\_\_\_\_.
  - a. average revenue product; price
  - b. total product; wage
  - c. marginal resource cost; wage
  - d. marginal revenue product; wage
  
4. The **demand curve for labor** is the same as:
  - a. the demand curve for the product
  - b. its marginal cost curve above average variable cost
  - c. the marginal factor cost curve
  - d. the marginal revenue product curve
  
5. Workers    Total Product
 

10	15
20	28
30	39
40	48
50	55
60	60

This company is a profit-maximizing firm selling in a competitive product market and hiring in a competitive labor market. It uses semi-skilled labor to produce dampers used in office building ventilation systems. Assume that the current market price per damper is \$500 and that the prevailing weekly salary per semi-skilled worker is \$550. This company should employ \_\_\_\_\_ workers.

- a. 20    b. 30    c. 40    d. 50    e. 60
  
6. The demand for labor will be **more inelastic** if:
  - a. there are few substitutes for labor
  - b. there is a short time under consideration
  - c. labor is a small part of the total cost of production
  - d. the demand for the product is relatively inelastic
  - e. all of the above
  
7. Which of the following results if the minimum wage is raised?
  - a. unemployed workers
  - b. an increase in the total wage bill paid to workers
  - c. higher wages for those still employed
  - d. all of the above
  
8. Skills that cannot be transferred to other employers are called:
  - a. general skills
  - b. specific skills
  - c. nonpecuniary wages
  - d. all of the above

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9. **Statistical discrimination** is defined as:
- paying different workers different wages for the same work
  - paying different workers different wages for comparable work
  - refusing to hire someone because of their ethnic background
  - treating an individual as typical of a group
10. If worker A earns more in wages than worker B, it could be because:
- The product made by worker A sells for a higher price than that made by worker B
  - Worker A uses more capital per worker than worker B
  - Worker A has more specific job skills than worker B
  - A and b only
  - All of the above

Use the following for Questions 11-13:

- As wages rise, the opportunity cost of "not working for pay" rises; as a result, people choose to work more hours.
  - As wages rise, income rises; since leisure is a normal good, people choose to work fewer hours.
  - The proportion of the group that is either working for pay or is actively seeking work.
  - The value of extra leisure time given up for work
  - The extra income received from work, including any non- monetary satisfaction
11. Which of these defines "**labor force participation rate**"?
12. Which of these is defines "**substitution effect**"?
13. Which of these defines "**income effect**"?
14. If the income effect is greater than the substitution effect, the supply of labor will be:
- upward-sloping
  - downward-sloping
  - vertical
  - horizontal
15. A perfectly elastic supply of labor to an employer would be drawn as:
- upward-sloping
  - downward-sloping
  - vertical
  - horizontal

Answers: 1. C 2. D 3. D 4. D 5. B 6. E 7. D 8. B 9. D 10. E 11. C 12. A 13. B 14. B 15. D

1. If different people are paid different wages despite having the same productivity, there is
  - a. price discrimination
  - b. statistical discrimination
  - c. wage discrimination
  - d. occupational discrimination
2. Which of the following is true about immigrants today?
  - a. Immigrants today are doing as well economically as those who migrated 30 years ago
  - b. Most immigrants work in agriculture in the United States
  - c. Immigrants cause a large reduction in the wages paid to native workers
  - a. The increased government spending, necessitated by immigrants, is greater than the taxes they pay
3. If all workers with a certain skill are in the same union, the union is a/an
  - a. craft union
  - b. industrial union
  - c. AFL-CIO
  - d. local union
4. "Any worker can be hired. But the worker must join the union within 30 days." This is called a/an
  - a. closed shop
  - b. open shop
  - c. union shop
  - d. agency shop
5. Union oppose "**right to work**" laws because
  - a. "Right to work" laws outlaw strikes
  - b. "Right to work" laws outlaw unions
  - c. Unions provide public goods
  - d. "Right to work" laws require the closed shop
6. Which of the following is true about labor unions?
  - a. Union density has been falling
  - b. Unions raise wages of union workers
  - c. Unions increase productivity of union workers
  - d. All of the above
7. If the **Gini Index** is used, which number would illustrate greater **inequality**?
  - a. 0
  - b. 0.25
  - c. 0.5
  - d. 0.75
  - e. 30
7. Which of the following is true about **the distribution of income**?
  - a. It has been getting more unequal over time
  - b. It is more equal than most other countries
  - c. It is more equal than the distribution of wealth
  - d. All of the above
8. The **poverty threshold**:
  - a. was calculated as the cost of an adequate diet times three and then is adjusted for inflation
  - b. measures income by wages plus cash transfers, excluding taxes and in-kind transfers
  - c. has fallen as a percent of the median income
  - d. all of the above
9. Which of the following statements is/are true?
  - a. The percent of Americans in poverty has been falling steadily since 1970
  - b. Most poor people experience poverty for a long time period
  - c. AFDC was an example of a means-tested program
  - d. Raising the incomes of the poor by \$1.00 costs taxpayers less than that \$1.00
  - e. All of the above

Answers: 1. C 2. D 3. A 4. C 5. C 6. D 7. D 8. A 9. D 10. C

- | 1.                              | In the United States | In the Rest of the World |
|---------------------------------|----------------------|--------------------------|
| Labor Cost Required             |                      |                          |
| 1 Unit of Agricultural Products | 6 hours              | 8 hours                  |
| 1 Unit of Manufactured Products | 2 hours              | 12 hours                 |
- Using these numbers, the United States has an **absolute advantage** in
- a. Agricultural Products Only
  - b. Manufactured Products Only
  - c. Both Agricultural Products and Manufactured Products
  - d. Neither Agricultural Products nor Manufactured Products
2. Using the numbers in question 1, the United States has a **comparative advantage** in
    - a. Agricultural Products Only
    - b. Manufactured Products Only
    - c. Both Agricultural Products and Manufactured Products
    - d. Neither Agricultural Products nor Manufactured Products
  3. An increase in international trade will cause **the production possibilities curve** to
    - a. shift out to the right
    - b. shift in to the left
    - c. become upward sloping
    - d. not change
  4. A country will have a **comparative advantage** in
    - a. those products which require factors of production that are relatively scarce
    - b. those products that require factors of production that are relatively abundant
    - c. all products for which it also has an absolute advantage
    - d. those products for which it chooses to have a comparative advantage
  5. If the United States engages in greater international trade, those who are likely to **lose** are:
    - a. skilled workers in the United States
    - b. unskilled workers in the United States
    - c. owners of capital goods in the United States
    - d. computer experts in the United States
  6. Which of the following would result if a **tariff** is imposed on steel made in Japan?
    - a. a higher price for Japanese steel
    - b. a higher price for American steel
    - c. a lower standard of living in the United States
    - d. all of the above
  7. Which of the following was part of the **communist economy** of the former Soviet Union?
    - a. Government Owned Enterprises
    - b. Trade Autarky
    - c. Central Planning
    - d. All of the above
  8. Which of the following was characteristic of the economy of the former Soviet Union?
    - a. The soft-budget constraint
    - b. Investment Hunger
    - c. Collective Farming
    - d. All of the Above
  9. The attempt to reform the Soviet economy in the late 1980s, under Gorbachev, was called:
    - a. Second Economy
    - b. Perestroika
    - c. Glasnost
    - d. Monetary Overhang
  10. Which of the following has occurred in the 1990s in the New Russia?
    - a. privatization
    - b. a rise in savings rates
    - c. a decline in overall production
    - d. a depreciation of the ruble
    - e. all of the above

Answers: 1. C 2. B 3. A 4. B 5. B 6. D 7. D 8. D 9. B 10. E