MULTIPLE CHOICE

ECONOMICS

1. The content of the diminishing marginal utility law essentially refers to the following phenomenon:
a) When the consumption from a good decreases, the marginal utility decreases;
b) When the consumption from a good increases, the marginal utility decreases;
c) When the consumption from a good increases, the marginal utility is constant;
d) When the consumption from a good increases, the marginal utility increases;
e) When the consumption from a good does not change, the marginal utility is negative;

2. The marginal utility of a commodity is:
a) always higher than the total utility;
b) a normal and always negative utility;
c) the total utility increase, which is obtained through the consumption of an additional unit from a homogeneous commodity;
d) the total utility loss, which is obtained through the additional consumption from a homogeneous commodity;
e) the same as the total utility, when several units of that commodity are consumed;

3. The total utility obtained through the consumption of an economic asset:
a) increases, while the marginal utility also increases;
b) cannot be felt by the consumer;
c) increases, while the marginal utility decreases;
d) decreases, while the marginal utility increases;
e) decreases, and the marginal utility is constant;

4. The marginal utility of a perfectly divisible good represents:
a) the variation in the total quantity of a good for a very small variation of its utility;
b) the variation in the total utility related to the variation with one unit of the consumed quantity of the respective asset;
c) the modification of the total quantity in relation to the usefulness and the quality of the respective commodity;
d) the difference between the total utility and the used quantity;
e) the variation of the utility depending on the quality and the price of the goods.

5. The marginal substitution consumption rate implies:
a) the increase of the quantity sold from a good Y, to compensate for the total utility loss, as a result of the reduction in consumption of a good X with one unit;
b) the decrease of the purchased quantity from a good Y, to compensate for the total utility loss, due to the reduction in consumption of a good X with one unit;
c) the increase of the purchased quantity from a good Y, to compensate for the loss of utility of the good X;
d) the increase of the purchased quantity from a good Y, to compensate for the total utility loss, due to the reduction in consumption of a good X with one unit;
e) the increase of the purchased quantity from a good Y, due to the sale of the good X;

6. The indifference curve (izutility) reflects:
a) all the combinations of goods and services from which the consumer obtains different levels of satisfaction;
b) all the combinations of production factors that allow the realization of the same production volume;
c) the combination of goods and services through which the consumer obtains maximum utility;
d) the combination of goods and services through which the consumer obtains minimum utility;
e) all the combinations of goods and services from which the consumer obtains the same level of satisfaction (total utility);

7. If the consumer's preferences based on the map of the indifference curves are analyzed, the location on a curve more distant than the origin shows us:
a) an increase in the level of satisfaction (utility);
b) a decrease in the total utility level;
c) a level of satisfaction identical to the previous one;
d) an increase in budget constraint;
e) a relaxation of the budget constraint;

8. The budget line, also called the budget constraint line, illustrates:
a) all the combinations of goods and services that an individual wishes at one point, depending on his/her preferences;
b) all the combinations of goods and services that an individual acquires, regardless of the income level and the existing prices;
c) all the combinations of goods and services that an individual can achieve in relation to the disposable income and the price levels;
d) the minimum quantity that may be procured from all the goods existing on the market;
e) all the combinations of goods and services that an individual can achieve only in relation to the level of the market prices;

9. The optimal combination of two goods X and Y (the consumer's equilibrium point) that the consumer will achieve is given by:
a) the situation where the budget line is below the indifference curve taken as a reference;
b) that combination of goods, which gives the consumer maximum benefit, regardless of the budgetary constraint;
c) the points where the budget line intersects the indifference curve;
d) the situation where all the variants on the budget line are outside the indifference curve;
e) that combination of goods, which gives the consumer the maximum benefit, under a given budgetary constraint;

10. In a situation of goods scarcity but with a monetary economy, the structure of the purchased goods is optimal, when:
a) the relation $UM_x / P_y = UM_y / P_x$ is fulfilled;
b) the relation $UM_x \times P_x = UM_y \times P_y$ is fulfilled;
c) the relation $UM_x / UM_y = P_y / P_x$ is fulfilled;
d) the marginal utility per monetary unit spent is the same for all the purchased goods;

e) the marginal utility per monetary unit spent is maximum for all the purchased goods.

11. In a situation of goods scarcity but with a barter economy (without the existence of coin) the consumer's equilibrium condition is:
a) $Umg_x = 0$;
b) $Umg_x = Umg_y$;
c) $Umg_x > Umg_y$;
d) $Umg_x < Umg_y$;
e) $Umg_x \neq Umg_y$;

12. The average work productivity represents:
a) the measurable ratio between the total production volume and the amount of factors used;
b) the efficiency with which the capital factor is used;
c) the efficiency with which the labor factor is used in combination with the capital factor;
d) the efficiency of the last amount of work involved in the economic activity;
e) the effectiveness of work which is determined based on the ratio between the volume of production and the number of workers;

13. The marginal work productivity represents:
a) the measurable ratio between the total production volume and the amount of factors used;
b) the efficiency with which the additional capital is used;
c) the efficiency with which the labor factor is used at the level of each economic agent;
d) the additional production that can be obtained under the conditions of use of an additional unit from the labor factor;
e) the ratio between the total production volume and the number of hours worked;

14. The indicator *the yield of production factors* expresses:
a) the value of the output obtained at a unit of used factors;
b) the efforts (the consumption of factors) at a production or income unit;
c) the ability of the enterprise to achieve profit;
d) the efficiency with which a certain amount of work is spent;
e) the production gain obtained with the last unit used from a production factor;

15. Between the notions of economic cost and accounting cost, there are quantitative differences as follows:
a) the economic cost is > than the accounting cost, including in its structure the accounting profit too;
b) the accounting cost is < than the economic cost, because it does not include the fixed capital amortisation;
c) there are no quantitative differences, but only qualitative ones;
d) the economic cost is > than the accounting cost, because it also includes implicit costs;
e) the accounting cost is > than the economic cost, because it also includes the fixed capital amortisation;

16. The marginal cost of production is:

a) the production increase obtained at an expense unit;
b) the ratio between the total variable costs and the obtained production;
c) the total expenditure increase required for the production growth by one unit;
d) the ratio between the total average costs and the obtained production;
e) the ratio between the total output variation and the costs variation.

17. The total cost is equal to the product between the quantity of obtained goods and the marginal cost when:
a) the marginal cost is equal to the total average cost;
b) the average cost is smaller than the marginal cost;
c) the marginal cost is superior to all categories of recoded costs;
d) the marginal cost is rising and the average cost is diminishing;
e) the quantity of created goods is growing more pronounced than the total costs.

18. The variable costs category includes those costs which:
a) in the long term, evolve in the same direction to the change in production;
b) in the short term, evolve in the same direction to the change in production;
c) in the short term, evolve in the opposite direction to the change in production;
d) vary in any sense, regardless of the change in production;
e) do not depend on the internal production conditions, but on the external economic conditions.

19. The fixed costs category does not include those expenses such as:
a) the expenses for the amortisation of the fixed capital;
b) the expenses on raw materials, materials, fuels and production energy;
c) the expenses for the salaries of the administrative staff;
d) the expenses for interests and rent;
e) the expenses for general lighting and heating;

20. Looking for increasing profits, firms will be stimulated to increase production, only in the situation in which:
a) the marginal cost will be lower than the average cost;
b) the marginal cost will be higher than the average cost;
c) the average cost will be equal to the marginal one;
d) the average cost will be below the total and marginal cost;
e) the total cost will be equal to the marginal and average cost;

21. The average variable cost is determined as follows:
a) as a ratio between the production volume and the variable cost;
b) as a ratio between the production volume and the total cost;
c) as a ratio between the variable cost and the volume of production;
d) as a difference between the fixed average cost and the total cost;
e) as a difference between the total cost and the fixed average cost;

22. The decreasing of the average total cost occurs:
a) when the increase of production exceeds the percentage increase of the gross profit;
b) when the percentage increase in production is below the percentage increase in costs;
c) when the total cost becomes lower than the marginal cost;
d) when the marginal cost is higher than the average cost;
e) when the increase of production exceeds the percentage increase of the total cost;

23. The rate of profitability (advantageousness) can be expressed in the following ways:
a) as a percentage ratio between the total cost of production and the fiscal value;
b) as a percentage ratio between the capital used and the cost of production;
c) as a percentage ratio between the fiscal value and the net profit;
d) as a percentage ratio between the profit and the capital used;
e) as a percentage ratio between the fiscal value and the production volume;

24. The size of the final consumption in a society is determined by:
a) the value of private consumption and public consumption;
b) the size of private and intermediate consumption;
c) the size of public and intermediate consumption;
d) the sum of the three consumption categories - private, public and intermediate;
e) the difference between the value of goods and services from domestic and imported products.

25. The average propensity for consumption (c) represents:
a) the ratio between the disposable income and the total consumption;
b) the percentage ratio between the total consumption and the disposable income;
c) the ratio between the total consumption and the disposable income;
d) the share of the total consumption in the total savings;
e) the share of the available income in the total consumption.

26. The fundamental psychological law, formulated by J. M. Keynes, essentially has the following content:
a) with the increase or decrease of income (ΔV), there is an increase or decrease in consumption (ΔC), but in a larger proportion ($\Delta V < \Delta C$);
b) with the increase or decrease of income (ΔV), there is an increase or decrease in consumption (ΔC), but to a lesser extent ($\Delta V > \Delta C$);
c) with the increase or decrease of income (ΔV), there is an increase or decrease in consumption (ΔC), no matter in what proportion;
d) the consumption always follows the evolution of the income, but the proportion of the change is higher;
e) with the increase or decrease in consumption (ΔC), there is an increase or decrease in the income (ΔV), but in a larger proportion ($\Delta V > \Delta C$).

27. The marginal propensity for consumption (c') expresses:
a) the ratio between consumption variation and savings variation;
b) the percentage ratio between consumption and income;
c) the ratio between marginal cost and marginal consumption;
d) the ratio between consumption variation and income variation;
e) the additional consumption of a constant income;

28. At a macroeconomic level, gross investments (I_b) reflect:
a) the difference between replacement investments (I_i) and net investments (I_n);
b) the difference between net investment and replacement investments;
c) the sum of amortisation (A) and gross investment (I_b);
d) the difference between net investment and amortisation;
e) the sum of replacement investments (I_i) and net investments (I_n);

29. The multiplier principle expresses:
a) the link that is created between the increase in spending and investment growth**;**
b) the causal relationship between investment growth and revenue growth;
c) the ratio that is created between revenue growth and expenditure growth;
d) the effect of the investments' multiplication as a result of revenue growth;
e) the multiplier effect of consumption as a result of increased economies;

30. According to the multiplier's calculation relationships its value is higher, the more:
b) the marginal inclination towards consumption (c') is lower;
a) the marginal inclination towards savings (e') is higher than the medium inclination (e);
b) the marginal inclination towards consumption (c') is higher;
c) the medium inclination towards savings (e) is lower;
d) the marginal inclination towards consumption (c') is lower than the medium inclination (c);

27. According to the multiplier's calculation relationships its value is higher, the more:
a) the marginal inclination towards savings (e') is lower;
b) the marginal inclination towards consumption (c') is lower;
c) the marginal inclination towards consumption (c') is higher;
d) the medium inclination towards savings (s) is lower;
e) all of the above variants are incorrect;

28. The accelerator principle expresses:
a) the multiplier effect of investments as a result of the decrease in revenues;
b) the causal relationship between investment growth and revenue growth;
c) the multiplying effect of revenue as a result of increased investment;
d) the causal relationship between revenue growth and investment growth;
e) the effect of increased consumption on revenues and savings;

29. In relation to the increase in disposable income:
a) both the medium inclination (c) and the marginal inclination towards consumption (c') have an ascending dynamics;
b) both the medium inclination (e) and the marginal inclination towards savings (e') have an ascending dynamics;
c) both consumption and savings decrease steadily;
   d) both the medium inclination (e) and the marginal inclination towards savings (e') are constant;
e) both the medium inclination (c) and the marginal inclination towards consumption (c') are constant;

30. As the disposable income increases:
a) both the medium inclination (e) and the marginal inclination towards savings (e') are constant;

b) both consumption and savings increase, but in different proportions;
c) both the medium inclination (c) and the marginal inclination towards consumption (c') have an ascending dynamics;
d) both the consumption and the savings are steadily diminishing;
e) both the medium inclination (c) and the marginal inclination towards consumption (c') are constant;

35. Contemporary inflation can be defined as such:
a) is the expression of a macroeconomic imbalance, which expresses the existence of an insufficient monetary mass for the real needs of the economy;
b) is the expression of a macroeconomic equilibrium that expresses the existence of a monetary mass in excess of the real needs of the economy;
c) reflects a macroeconomic, monetary and material imbalance, characterized by the existence of a currency in circulation that exceeds the real needs of the economy;
d) represents a macroeconomic imbalance, which leads to the appreciation of money and to a sustainable and generalized price decrease;
e) reflects a macroeconomic imbalance due to the excess goods supply in relation to the goods demand on the market;

36. Inflation through demand arises as a result of:
a) the decline in the aggregate demand at a higher rate than the aggregate supply;
b) the growth in the aggregate demand at a slower pace than the aggregate supply;
c) the growth in the aggregate supply, in line with the aggregate demand;
d) the growth in the aggregate demand at a higher rate than the aggregate supply;
e) the excess of global solvable demand, to which an elastic offer corresponds;

37. Excess market demand may have the following causes:
a) the restraining of the bank credit, which leads to credit inflation;
b) the excessive currency issuance, which generates currency inflation;
c) the increase in the inclination towards economization, which results in inflation by economy;
d) the decrease in the inclination towards dissaving, which results in inflation by economy;
e) the limitation of the issuance of currency by the Central Bank;

38. Coin inflation is caused by causes such as:
a) the introduction into circulation of a deficient monetary mass in relation to the volume of goods on the market;
b) the existence in circulation of a monetary mass commensurate with the volume of goods on the market;
c) the introduction and maintenance in the market of a mass of surplus goods in relation to the volume of money in circulation;
d) the increase of money rotation speed, while constantly maintaining the physical and value volume of transactions;
e) the decrease of money rotation speed, while constantly maintaining the physical and value volume of transactions;

39. Given the structure of the aggregate demand, its growth can be determined by:
a) the increase in consumer spendings made by the population;

b) the excessive decrease of public expenditures, i.e. government procurement, especially of non-productive ones;
c) the increase in imports, i.e. the entry of additional foreign currencies into the economy;
d) the increase of investments made by firms, which have immediate productive effects;
e) the increase in prices for raw materials and materials;

40. Credit inflation can be determined by the following monetary policy measures:
a) the expansion of bank loans, which have as destination massive investments in the economy, but which are not finalized in time;
b) the policy of restricting bank loans, which can lead to a under-sizing of the amount of the account money;
c) the substantial increase in the volume of savings for consumption purposes;
d) the increase in the interest rate on loans granted for consumption purposes;
e) all of the above variants are incorrect;

41. There is cost inflation, when:
a) on the whole economy, production costs are declining;
b) the production costs of small and medium-sized firms are increasing steadily and continuously;
c) the production costs drop more than the fall in prices;
d) the production costs, on the whole economy, grow at a high rate, independent of the aggregate demand;
e) the production costs remain at the same average level over a given period.

42. The factors that can determine increases in costs thus becoming the causes of cost inflation, are:
a) the excessive decrease of the profits of the economic agents;
b) low tax pressure, especially the one concerning indirect taxes;
c) the raising of wages at a higher pace than the increase in labor productivity;
d) the evolution of wages in a dynamics at most equal to that of labor productivity;
e) the linear (proportional) amortisation policy;

43. Dissaving inflation has its origins in:
a) the decrease in the inclination towards savings by the population;
b) the increase in the inclination towards savings by the population;
c) the decrease in the inclination towards consumption by the population;
d) the increase in the inclination towards consumption by the population;
e) the constancy of the inclination towards savings by the population;

44. The inflation rate is calculated in one of the following ways:

a) $R_i = \dfrac{\sum Q_0 P_1}{\sum Q_0 P_0} \times 100$;

b) $R_i = \dfrac{IP_1 - IP_0}{IP_0} \times 100$;

c) $R_i = \dfrac{IP_0 - IP_1}{IP_0} \times 100$;

d) $R_i = \dfrac{IP_1 + IP_0}{IP_0} \times 100$;

e) $R_i = \dfrac{\sum Q_1 P_1}{\sum Q_0 P_0} \times 100$;

45. Within a company, at t_0, $CMT_0 = 24$ u.m., and $CMF_0 = 10$ u.m. As a result of the modernization of the technical capital, as well as the increase of the average labor productivity, there is an increase of the production by 80%, as well as an increase of the variable costs by 40%. Under these circumstances, the total marginal cost (CT_{mg}) is:
a) 12 u.m.
b) 9 u.m.
c) 14 u.m.
d) 10 u.m.
e) 7 u.m.

46. For a given manufacturer, the average fixed cost (CMF), the average variable cost (CMV), and the average profit (PM) are equal (each) to 1.000 u.m. If the production increases by 100%, the average profit doubles and the variable costs increase by 50%, then the unit price (P_u) becomes:
a) 2.500 u.m.
b) 3.500 u.m.
c) 1.500 u.m.
d) 3.250 u.m.
e) 2.750 u.m.

47. The behavior of a consumer who has an income of 200 u.m. for the purchase of two goods x and y, is defined by the utility function $U = (x+2) \times (y+7)$. Knowing that the prices of the two goods are identical, respectively $P_x = P_y = 20$ u.m., the x and y quantities corresponding to the optimal choice are:
a) x = 9,5 ; y = 2,5
b) x = 7,5 ; y = 2,5
c) x = 7,5 ; y = 7,5
d) x = 5,5 ; y = 3,5
e) x = 2,5 ; y = 7,5

48. At the end of the year t_1, the national income in an economy was 1.000 bn u.m., and in year t_5 it has grown by 50% in real terms, compared to t_1. This evolution is the result of the investment effort of the state, respectively of the investment multiplier, which had the value of 3.33. Under these conditions, the increases in consumption and savings over the whole period were:
a) $\Delta C = 250$ bn; $\Delta E = 150$ bn
b) $\Delta C = 250$ bn; $\Delta E = 250$ bn
c) $\Delta C = 350$ bn; $\Delta E = 150$ bn
d) $\Delta C = 150$ bn; $\Delta E = 350$ bn
e) $\Delta C = 350$ bn; $\Delta E = 250$ bn

49. If in an economy, over a period of time, the growth of savings is worth 100 bn u.m. and the marginal propensity of consumption is 0.8, then the national income increase, as a result of the transformation of savings into investments, will be:

a) 500 bn u.m
b) 400 bn u.m
c) 600 bn u.m
d) 350 bn u.m
e) 550 bn u.m

50. The following data on consumer price dynamics over the course of one year are known:

Economic consumption goods	Share of expenditure on goods in total consumption	Price/consumer goods tariffs indices
Food	65%	105%
Non-food	25%	103%
Services	10%	108%

The Consumer Goods Price Index (CPI) across the economy and the inflation rate (Ri), that year were:

a) 108,4% and 8,4%
b) 104,8% and 4,8%
c) 104,8% and 8,4%
d) 105,3% and 5,3%
e) 103,5% and 3,5%

51. The structure of the purchased goods is optimal and the consumer is in balance when:
a) the relationship $UM_x / P_x = UM_y / P_y$ is fulfilled;
b) the relationship $UM_x / P_y = UM_y / P_x$ is fulfilled;
c) the relationship $UM_x / UM_y = P_x / P_y$ is fulfilled;
d) the marginal utility per the monetary unit spent is different depending on the purchased goods;
e) the marginal utility per the monetary unit spent is maximum for all the purchased goods.

52. The marginal productivity of production factors expresses:
a) the total expenditure increase, driven by the increase of the production volume by one unit;
b) the production supplement obtained with the same volume of factors used;
c) the measurable ratio between the volume of the total production and the total volume of factors used;
d) the production increase achieved due to the increase in the number of factors of the enterprise;
e) the efficiency of the last unit of factors involved in an economic activity.

53. The efficiency of the use of the production factors is expressed by the following indicators:
a) the advantageousness of the activity, i.e. profitability;
b) the capacity of self-financing and indebtedness;

c) the productivity and the specific consumption of factors;
d) the rotation speed and the amortisation capacity;
e) the value of the company's stock market capitalization.

54. In the category of accounting cost are not included:
a) the expenses with the amortisations and the salaries of productive and administrative personnel;
b) the expenses for the payment of raw materials and materials, fuel and energy;
c) the expenses for the payment of taxations, taxes and social contributions;
d) the costs of production factors owned by the firm (the entrepreneur);
e) the components of normal profit.

55. Between average cost and marginal cost there are the following differences:
a) the average cost is higher than the marginal cost, as it also includes in its calculation the total cost;
b) the marginal cost is calculated on the basis of a ratio between two differences (variations) of sizes;
c) the marginal cost is higher than the average, as it includes in its calculation an increase of expenses necessary for the increase of production;
d) the average cost is calculated on the basis of a ratio between two absolute values;
e) there are no practical differences between the two notions.

56. When variable costs decrease slower (percent) than the decrease in production, then:
a) the unit cost and the marginal cost decrease accordingly;
b) the unit cost and the marginal cost increase accordingly;
c) the unit cost increases and the marginal cost decreases;
d) the average cost increases and the marginal cost also increases;
e) the unit cost decreases, the marginal cost increases and the total cost is constant.

57. The marginal cost can be defined (determined) in the following ways:
a) the ratio between the total cost of production and the volume of production (CT/Q);
b) the ratio between the production volume and the total cost of production (Q/CT);
c) the difference between the total cost and the average cost of production (CT-CM);
d) the total expenditure growth, driven by the production growth by one unit;
e) the ratio between total cost variation and output variation ($\Delta CT/\Delta Q$).

58. In an economy, when the disposable income (V) increases:
a) both the medium inclination (c), and the marginal consumption inclination (c') have a downward dynamics;
b) the consumption (C) and the savings (E) increase in the same proportions;
c) the consumption (C) and the savings (E) decrease, but in different proportions;
d) the consumption's increases are rising and the savings' increases are diminishing;
e) both the medium inclination (e) and the marginal savings inclination (e') have an upward dynamics.

59. Consumption at a macroeconomic level is manifested as:
a) the difference between the final and the intermediate consumption of the company;
b) the sum of the final and the intermediate consumption of the company;
c) the sum of private consumption, public consumption and intermediate consumption;

d)   the difference between final production and intermediate production;
e)   the sum of public consumption and private consumption.

60. The increase in aggregate demand can be determined by the following circumstances:
a)   the reduction of investments made by firms;
b)   the increase in population consumption expenditures;
c)   the diminishing exports and increasing imports;
d)   the reduction of public (governmental) expenditures;
e)   the increase of public (governmental) expenditures.