**QUIZ**

1. For a purely competitive seller, price equals:
2. average revenue.
3. marginal revenue.
4. total revenue divided by output.
5. all of these.
6. For a purely competitive firm total revenue:
7. is price *times* quantity sold.
8. increases by a constant absolute amount as output expands.
9. graphs as a straight upsloping line from the origin.
10. has all of these characteristics.
11. In the standard model of pure competition, a profit-maximizing entrepreneur will shut down in the short run if:
12. Marginal cost is greater than average revenue
13. Average cost is greater than average revenue
14. Average fixed cost is greater than average revenue
15. Total revenue is less than total variable costs
16. In a typical graph for a purely competitive firm, the intersection of the total cost and total revenue curves would be:
17. A point of maximum economic profit
18. A point of minimum economic loss
19. A point where MR = MC
20. A break-even point
21. The wage rate increases in a purely competitive industry. This change will result in a(n):
22. Decrease in average total cost for a firm in the industry
23. Decrease in average variable cost for a firm in the industry
24. Increase in the marginal cost curve for a firm in the industry
25. Increase in short-run supply curve for a firm in the industry
26. In the short run a purely competitive firm that seeks to maximize profit will produce:
27. where the demand and the ATC curves intersect.
28. where total revenue exceeds total cost by the maximum amount.
29. that output where economic profits are zero.
30. at any point where the total revenue and total cost curves intersect.
31. A firm reaches a *break-even point* (normal profit position) where:
32. marginal revenue cuts the horizontal axis.
33. marginal cost intersects the average variable cost curve.
34. total revenue equals total variable cost.
35. total revenue and total cost are equal.
36. In the short run the individual competitive firm's supply curve is that segment of the:
37. average variable cost curve lying below the marginal cost curve.
38. marginal cost curve lying above the average variable cost curve.
39. marginal revenue curve lying below the demand curve.
40. marginal cost curve lying between the average total cost and average variable cost curves.
41. A purely competitive firm's short-run supply curve is:
42. perfectly elastic at the minimum average total cost.
43. upsloping and equal to the portion of the marginal cost curve that lies above the average variable cost curve.
44. upsloping and equal to the portion of the marginal cost curve that lies above the average total cost curve.
45. upsloping only when the industry has constant costs.
46. Resource costs increase in a purely competitive industry. This change will result in a(n):
47. Increase in average fixed cost for a firm in the industry
48. Decrease in average variable cost for a firm in the industry
49. Decrease in the marginal cost curve for a firm in the industry
50. Decrease in the short-run supply curve for a firm in the industry