Econ 101 Class 16 Questions

1. Which of the following soft drink sellers is likely to have the most market power?

   A. Concession Area at the Smith Center. **
   B. Franklin Street Snack Shop.
   C. Lenoir Dining Hall.
   D. Food Court at a Shopping Mall Like Streets of South Point.

2. If a firm faces its own demand schedule and can choose its price, then its marginal revenue…
   A. Is less than its price. **
   B. Is negative at quantities where demand is elastic.
   C. Is zero at the quantity that the firm chooses to produce.
   D. Remains constant as long as price remains above marginal cost.

3. The following table reports the marginal revenue that Carla receives from editing term papers.

Quantity	Marginal Revenue
1	40
2	36
3	32
4	28
5	24
6	20
7	16
8	12

   Suppose Carla's opportunity cost for editing a paper is $29 and that she charges the same price to all customers. How many papers will she edit?
   A. One
   B. Two
   C. Three **
   D. Eight