

Placement Exam

MBA 640- Principles of Economics



MBA 640 Exam Details:

- 50 Multiple Choice
- Closed Book
- Calculator Permitted
- Time Limit: 2 hours
- Passing score= 70%
- Text: The Economy Today by Bradley Schiller – Irwin McGraw Hill 13th Edition

MBA 640 Exam Content:

This exam covers an introduction to consumer and producer behavior in a market economy, supply and demand, demand elasticity, production and cost, pricing, and firm behavior in perfect competition and imperfect competition. Macroeconomics topics include measures of output, inflation, the basics of the Federal Reserve System, and taxes and the public debt.

Exam takers should focus on the following content:

- Consumer and producer behavior effects on supply and demand
- Supply and Demand Curves
- Elasticity
- Production Theory
- Profit Maximizing Conditions
- Equilibrium
- Market Structures
 - Monopoly
 - Oligopoly
 - Monopolistic competition
 - Perfect competition
- Opportunity Cost
- Short run vs. Long run
- Unemployment
- Real vs. nominal Interest Rate
- Income-expenditure model
- Law of diminishing returns
- Implicit Cost
- Economies of Scale
- Resource markets and marginal revenue product
- Gross Domestic Product (GDP)
- Aggregate supply/demand
- Consumption Functions
- Federal Reserve system
- Inflation
- Expansionary and contractionary gaps

- Keynesian model with algebraic presentation and equilibrium
- Fiscal Policy