**MICRO-ECONOMICS**

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**Questions:**

1. Explain the first 5 principle of economics.
2. Explain the last 5 principles of economics
3. What is the production frontier? Explain how it changes once efficiency of production increases for both of goods and for one of the good.
4. Please explain (including showing on graph) how and why demand curve shifts once each of the variables that affect demand changes?
5. Please explain (including showing on graph) how and why supplier curve shifts once each of the variables that affect supply changes?
6. What are the factors that affect demand and explain affect
7. What are the factors that affect supplier and explain affect.
8. Explain market equilibrium, shortage and surplus
9. What is price elasticity of demand and what are factors that affect it. Please, explain each.
10. How demand curve looks depending on price elasticity of demand
11. What is price elasticity of supply and what are factors that affect it. Please, explain each.
12. What is the cross-price elasticity of demand? What if goods are a) compliments and b) substitutes?
13. How supply curve looks depending on price elasticity of demand
14. What is the price floor and what kind effect it has on market price? Are we better off by imposing price floor?
15. What are price ceiling and what kind adverse effect it might have?
16. Are buyers and sellers better off if taxes are paid by other side? Please, explain.
17. How the tax burden distributed among buyers and sellers? What affects distribution?
18. Please, explain in details what consumer surplus is.
19. Explain what the producer surplus is.
20. How market efficiency is being achieved?
21. Explain how tax affects buyers and sellers?
22. Explain the relationship between elasticity of demand and size of deadweight lost? Why it is like this?
23. Explain the relationship between elasticity of supply and size of deadweight lost Why it is like this?
24. How tax revenue changes depending of tax amount? What is Laffer curve?
25. How country becomes exporter or importer of the good? What are factors that determine it?
26. If country is exporter of the good how it affects consumer and producers. Please, explain based on graph
27. If country is importer of the good how it affects consumer and producers. Please, explain based on graph
28. How import tariff affect consumer, producers welfare and government revenue? What happen to each?
29. What are arguments for trade restriction? Please, explain each
30. What are the positive externalities in production? Please, explain based on graph
31. What are negative externalities in production? Please, explain based on graph.
32. What are private solutions towards externalities and why it doesn’t always work?
33. What are solutions that government offers towards externalities?
34. How goods are classified based on being excludable and rival?
35. What is the public good? Please, describe its characteristics
36. What is the common good? Describe its characteristics.
37. What are the 2 “costs” of taxes beyond the transfer of the resources to the government?
38. What are taxation forms and in which cases each is applied? (Lump sum taxation and etc…)
39. What are taxation principles and what is the effect of each on equity and welfare?
40. Explain costs type and difference between accounting and economic profit.
41. How increase in production shows itself on production function and total-cost curve? Use graph in explanation
42. Explain what are marginal and average total cost and relationship between them. Please, use graph in your explanations.
43. Explain change in average total costs in short run and long run. What are economies of scale?
44. Explain how marginal cost affect firm’s supply decision
45. Why might firm in short run decide to shut down?
46. How does firm decide to exit or enter market in long run? Explain mathematically and graphically
47. What are the effects that changes in demand causes over time horizon?
48. Describe market supply in short and long run. How number of suppliers differ?
49. What are monopolies, their types and their effect on market
50. Please, explain profit maximization for the monopoly (use graphs)
51. Explain the effect that monopolies have on welfare. (use graphs)
52. What are the four ways how government can respond to monopoly?
53. Explain price discrimination and its effect on public welfare
54. Describe oligopoly and its effect on the market. What are differences and similarities with monopoly.
55. Prisoners dilemma and why it is applicable to oligopolies?
56. What are the possible controversial effects of the anti-trust laws?
57. What is monopolistic competition and what characterizes it. Give examples.
58. Compare monopolistic and perfect competition. What is different? Explain graphically.
59. How monopolistic competition affect welfare?
60. Please, explain advertising phenomenon, its role in competition and arguments over it.
61. Explain relations between marginal product of labour and demand for labour
62. What factors affect labour demand curve?
63. What are factors affecting supply of labour?
64. Please, explain interconnection of marginal products of production factors
65. What can be the reason for different wages? Please, explain fully.
66. What are types of discriminations that exists in labout market?
67. Explain above the equilibrium wages. How it happen?
68. What are the challenges with measuring inequality?
69. What is the utilitarianism theory about?
70. What is the fundamentals of the liberalism theory?
71. Explain Liberalism theory
72. What are the anti-poverty tools that government uses?
73. Explain budget contain.
74. How consumer preferences are measured? What is utility curve
75. How changes in price affect the consumer preferences. Please, explain on graphs