

ANSWERS TO EXAMPLE QUESTIONS FOR CM8-CM10

4-28-21

CM8 TAX QUESTIONS

1. c
2. b or c (DUH!)
3. c

CM9 SUBSIDY QUESTIONS

1. a
2. a (Of course you could buy huge numbers of coins and melt them.)
3. a

CM10 DOL AND CA QUESTIONS

1. a
2. a
3. b
4. e
5. c (assuming that they have different opportunity costs).

CM11 PROTECTION QUESTIONS

1. a
2. a
3. c is better than b.
4. e
5. c

I took these questions from a Test Bank. They are not great questions but the point of the exercise is to show you the sort of question you might encounter on an exam.