**2: Supply and demand**

* If the price of a good rises (all other factors remain equal) what happens to supply and demand?
* How do you call the point where supply and demand meet?
* Name 4 determinants for supply and demand.

**3: Price elasticity of Demand**

* How does more consuming of a good influences the additional utility?
* Is it possible that total utility fall to zero or become negative?
* Which two factors affecting the budget line?
* What can be a problem of making rational choices?
* How would marginal utility be affected by a rise in the price of a complementary good?

**4: Background to Demand**

* If the price of a good rises (all other factors remain equal) what happens to supply and demand?
* How do you call the point where supply and demand meet?
* Name 4 determinants for supply and demand.

**5: Background to supply**

* Define what short-run means and point out the difference to long-run.
* Explain the terms average and marginal physical products and how the MPP influences the APP
* Name three different types of costs and give an example

**6: Profit maximizing under perfect competition and monopoly**

* Name three main characteristics of a perfect competition market!
* How does the demand behave under perfect competition?
* At which point does a firm maximize its profit and how do we find it?

**7: Profit maximizing under imperfect competition**

* How many firms constitute an oligopoly? What else characterizes oligopoly markets?
* If two businesses are selling the same good or service, who would benefit if they cooperated on pricing? Who would benefit if they competed based on pricing?
* Imagine there are two prisoners, Bonny and Clyde. They are interrogated separately, thus cannot communicate. They have two alternatives: confess, not confess.
If both confess they get a sentence of 3 years each. If either Bonny or Clyde alone confesses, he/she will get 4 months but the other one gets 10 years. If both do not confess both get imprisoned for 1 year. Draw a pay-off matrix and derive the dominant strategy.

**8: Alternative theories of the firm**

* What does “merger” and “strategic alliance” mean ? What are their way of doing ?
* What are the advantages of merger activities in terms of the relation in between growth & profit?
* What are the possible disadvantages of strategic alliance activities?
* How does the value of the organization affect mergers?

additional question related to the topic of 8.1 which is included in the final test:

* What are the major types of criticism of the traditional profit-maximizing theory?
* Can you explain why companies require in some cases merger or strategic alliance activities by highlighting the problems of the traditional profit-maximizing theory and the advantages of these activities? Which advantages might be related to the solution of which problems?

**9: The theory of distribution of income**

* Which measures could be taken by the government/society?
* Which factors influence the discrimination of black people?
* What kind of economic discrimination did we talk about?

**10: Inequality, poverty and policies to redistribute incomes**

* 1. What are two methods to measure inequality?
* 2. What is the difference between income and wealth ?
* 3. How does the size distribution of income graph look if it is perfectly equal?
* 4. Name 3 causes for income inequality.
* 5. What is the functional distribution of income ?

**11: Markets, efficiency and the public interest**

**12: Environmental Policy**

**13: Governmental Policy towards Business**