Quiz_4_Chapter_10_Answers

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

1) Which of the following factors causes the barter system to be inefficient?

A) The cost associated with information search is too low.

B) Its cost of transaction is too low.

C) It requires a double coincidence of wants.

D) It requires high liquidity.

2) When you pay $8 for salad you ordered for lunch, you are using money as a(n)

A) unit of account.   B) investment good.

C) medium of exchange.   D) store of value.

3) The liquidity property of money is the property that makes money

A) a good store of value and a good unit of account.

B) a good medium of exchange and a good store of value.

C) a good medium of exchange and a good unit of account.

D) a good store of value and a good standard of deferred payment.

Answer Key

1) C

2) C

3) B