Unit 3.4 Types of Profit

AP Microeconomics Homework — 7 Questions

题库 Questions

1. 题库 Unit 4 Perfectly Competitive Q10

Shelby is an entrepreneur who has decided to open a small advertising firm. She rents office space at a cost of $25,000 per year, she has employed an assistant at a salary of $30,000 per year, and she incurs annual utility and office supply expenses of $20,000. Her best alternative is to work elsewhere and to earn a salary of $50,000 per year. How much annual revenue must her firm receive so that Shelby earns zero economic profit?

(A) $50,000
(B) $75,000
(C) $100,000
(D) $125,000
(E) $150,000

2. 题库 Unit 4 Perfectly Competitive Q27

Economic profit can be calculated as accounting profit minus which of the following?

(A) Fixed costs
(B) Implicit costs
(C) Marginal costs
(D) Explicit costs
(E) Total costs

3. 题库 Unit 4 Perfectly Competitive Q28

Instead of being employed at a printing company at a salary of $25,000 per year, Sally starts her own printing firm. Rather than renting a building that she owns to someone else for $10,000 per year, she uses it as the location for her company. Her costs for workers, materials, advertising, and energy during her first year are $125,000. If the total revenue from her printing company is $155,000, her total economic profit is

(A) −$5,000
(B) $5,000
(C) $20,000
(D) $30,000
(E) $120,000

4. 题库 Unit 4 Perfectly Competitive Q7

Bruce is a talented writer and graphic artist who enjoys both types of work equally. Instead of earning $45,000 as a writer, Bruce now earns $25,000 in accounting profits as a graphic artist using the same computer equipment he would have used as a writer. What is Bruce's economic profit from choosing to work as a graphic artist?

(A) −$45,000
(B) −$20,000
(C) $20,000
(D) $45,000
(E) $70,000

5. 题库 Unit 4 Perfectly Competitive Q32

Which of the following statements regarding accounting profits, opportunity costs, and economic profits is true?

(A) With positive opportunity costs, a firm can never earn economic profits.
(B) Accounting profits are equal to economic profits minus opportunity costs.

(C) If accounting profits are less than opportunity costs, there will be economic losses.

(D) Economic profits must always be greater than accounting profits.

(E) When economic profits are positive, accounting profits may be positive or negative.

Past Exam Questions

6. 2024 AP Micro MCQ Q32

Which of the following is true about economic profit and accounting profit?

(A) Accounting profit is less than economic profit because accounting profit does not consider implicit costs.

(B) Accounting profit is less than economic profit because accounting profit does not consider explicit costs.

(C) Accounting profit is greater than economic profit because accounting profit does not consider implicit costs.

(D) Accounting profit is greater than economic profit because accounting profit does not consider explicit costs.

(E) Accounting profit is equal to economic profit.

7. 2025 AP Micro MCQ Q49

Nikita was working at a law firm earning an annual salary of $80,000, but she decided to start her own law practice. She used a building she owns and had been renting to a tenant for $15,000 a year. Her law practice earned an accounting profit of $90,000 in its first year. Based on the preceding information, Nikita's economic profit equaled

(A) −$80,000

(B) −$15,000

(C) −$5,000

(D) $10,000

(E) $75,000