

Placement Test in Economics Preparation Information

A Focus on Economic Concepts

The placement test in economics consists of 50 multiple choice questions on basic microeconomic and macroeconomic concepts. You will have 90 minutes to complete the exam. The concepts covered are a cross-section of those addressed in the Economic Concepts course (MBAM 592). The basic economic concepts are the building blocks for the Managerial Economics course (MBAM 602), Macroeconomics course (MBAM 612), and elective courses. A course description for the Economic Concepts course is provided as a guide to the scope of the topics covered on the test. A reference text is identified for you to review prior to the placement testing session. Finally, an illustrative topic list is included for your use.

The Economic Concepts Course Description as a Guide for the Placement Test

The Economic Concepts (MBAM 592) course introduces the principles and application of microeconomic analysis. Attention is given to supply and demand theories, price and wage practices, market structures, production, and cost analysis. It includes study of the economic role of government and the limitations of the market system. The concepts and data for the study of individual economic behavior, firms, industries, and markets are introduced. The course also introduces the principles and application of macroeconomic analysis of the external business environment, covering concepts such as consumption, saving, investment, employment, production, business fluctuations, unemployment and inflation, money and banking, international trade, and economic growth.

Suggested Text to Review for the Placement Test

While any Principles of Economics text may serve as a guide in your preparation, the text used by majority of the economics faculty for the MBAM 592 course is:

Mankiw, *Principles of Economics*, Third Edition, South-Western Publishing, 2003.

An Illustrative Topics Reference List for the Placement Test

Supply and Demand	Gross Domestic Product
Efficiency	Inflation and Deflation
Consumer Choices and Budgets	Economic Growth and Stability
Production and Costs	Monetary System and Interest Rates
Government Intervention in Markets	Unemployment and Wages
Externalities and Social Costs	International Trade and Exchange Rates