

---

## Quiz for Lecture 4 Readings Chapters 7 & 8 Money and Credit

---

Correct

### Question text

What book did Murphy recommend for a crash course in subjective value theory?

Select one:

- a. Natural Value (Wieser)
- b. East of Eden (Steinbeck)
- c. Basic Principles of Economic Value (Bohm-Bawerk) ✓

### Feedback

The correct answer is: Basic Principles of [Economic Value](#) (Bohm-Bawerk).

### Question 2

Correct

### Question text

In evaluating a pig versus tomato seed, where would a vegetarian and meat-lover probably DISAGREE?

Select one:

- a. Objective exchange-value
- b. Subjective use-value ✓
- c. Subjective exchange-value

### Feedback

The correct answer is: Subjective use-value.

### Question 3

### Question text

When discussing the example of the pig vs. tomato seed, did Murphy compare the utility of the vegetarian with the utility of the meat-lover?

Select one:

- a. No, he was always comparing the utility from the pig vs. the utility of the seed, in the minds of each person. ✓
- b. Yes in the column on subjective value, but no in the column on objective value.

- c. Yes, but it is a useful simplification to make just for the purposes of motivating the discussion of money.

### Feedback

The correct answer is: No, he was always comparing the utility from the pig vs. the utility of the seed, in the minds of each person..

### Question 4

#### Question text

Why does even the “objective use-value” of a pig still rely on subjectivism?

Select one:

- a. What matters is what a person believes the pig can do—such as produce bacon—whether or not that belief is actually true.
- b. Different people can make different estimates of how much the pig will fetch if traded in the market. **X**
- c. A vegetarian won't think that a pig can be used for bacon.

### Feedback

The correct answer is: What matters is what a person believes the pig can do—such as produce bacon—whether or not that belief is actually true..

### Question 5

#### Question text

According to Murphy, which of the following Austrian economists had the least to do with applying subjective value theory (as pioneered by Menger) to the special case of money?

Select one:

- a. Mises
- b. Wieser
- c. Menger **✓**

### Feedback

The correct answer is: Menger.

### Question 6

Correct

#### Question text

Unlike other goods, in the case of money its subjective value depends entirely on its  
Select one:

- a. objective use-value.
- b. simultaneous use as a commodity in industrial applications.
- c. objective exchange-value. ✓

**Feedback**

The correct answer is: objective exchange-value..

**Question 7**

**Question text**

Mises argues that if people stopped using gold as money, other things equal its exchange value would  
Select one:

- a. rise. ✗
- b. drop.
- c. stay the same.

**Feedback**

The correct answer is: drop.

**Question 8**

Correct

**Question text**

A claim to commodity money that everyone trusts is immediately redeemable is  
Select one:

- a. credit money.
- b. a money-substitute. ✓
- c. a bond (with 0% interest).

**Feedback**

The correct answer is: a money-substitute..

**Question 9**

Correct

**Question text**

A claim to commodity money that everyone trusts will be paid in exactly three months but does not itself circulate as a medium of exchange is

Select one:

- a. a money-substitute.
- b. credit money.
- c. a bond. ✓

**Feedback**

The correct answer is: a bond..

**Question 10**

Correct

**Question text**

A claim to commodity money that everyone trusts will eventually be redeemed but they don't know when, and that itself circulates as a widely accepted medium of exchange, is

Select one:

- a. credit money. ✓
- b. a bond.
- c. a money-substitute.

**Feedback**

The correct answer is: [credit](#) money..

---