

Name _____

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

- 1) When a consumer's own actions cannot attain a more preferred situation, she faces a(n): 1) _____
A) unconstitutional rule. B) coercive arrangement.
C) unfair system. D) equilibrium.
- 2) When a resource like water, fish in the ocean, or grazing land is available to everyone, it is: 2) _____
A) personal property. B) common property.
C) private property. D) impersonal property.
- 3) The following examples can be categorized as common property problems except: 3) _____
A) the student lounge. B) open ocean fisheries.
C) Grandpa Joe's backyard. D) non-toll highways.
- 4) Overcrowding frequently occurs when consumers: 4) _____
A) share common property.
B) prevent others from using resources.
C) pay the full cost of resources they use.
D) receive subsidies for goods they consume.
- 5) A perfectly competitive market has all of the following characteristics except: 5) _____
A) Each seller offers to sell a small part of the total quantity transacted.
B) There are few sellers.
C) Each buyer offers to buy a small part of the total quantity transacted.
D) There are many buyers.
- 6) A perfectly competitive market has all of the following characteristics except: 6) _____
A) There are many sellers.
B) There are few buyers.
C) Each buyer offers to buy a small part of the total quantity transacted.
D) Each seller offers to sell a small part of the total quantity transacted.
- 7) A perfectly competitive market has all of the following characteristics except: 7) _____
A) Each seller offers to sell a large part of the total quantity transacted.
B) There are many sellers.
C) Each buyer offers to buy a small part of the total quantity transacted.
D) There are many buyers.
- 8) A perfectly competitive market has all of the following characteristics except: 8) _____
A) There are many sellers.
B) Each seller offers to sell a small part of the total quantity transacted.
C) There are many buyers.
D) Each buyer offers to buy a large part of the total quantity transacted.
- 9) In a perfectly competitive market, each buyer can choose: 9) _____
A) price only. B) quantity only.
C) both quantity and price. D) neither quantity nor price.

- 10) In a perfectly competitive market, each seller can choose: 10) _____
A) price only. B) quantity only.
C) both quantity and price. D) neither quantity nor price.
- 11) An individual supply curve tells us how many units: 11) _____
A) a firm will sell at various prices. B) firms will sell at various prices.
C) individuals will buy at various prices. D) an individual will buy at various prices.
- 12) A market supply curve tells us how many units: 12) _____
A) a firm will sell at various prices. B) individuals will buy at various prices.
C) firms will sell at various prices. D) an individual will buy at various prices.
- 13) An individual demand curve tells us how many units: 13) _____
A) an individual will buy at various prices. B) firms will sell at various prices.
C) individuals will buy at various prices. D) a firm will sell at various prices.
- 14) A market demand curve tells us how many units: 14) _____
A) an individual will buy at various prices. B) a firm will sell at various prices.
C) firms will sell at various prices. D) individuals will buy at various prices.
- 15) Competition is: 15) _____
A) the consequence of "more is better." B) utterly harmless.
C) inherently bad. D) independent of scarcity.
- 16) The market demand curve is downward sloping, which means that the quantity demanded _____ when the price _____. 16) _____
A) rises, rises B) rises, falls
C) falls, falls D) is unchanged, falls
- 17) The market supply curve is upward sloping which means that the quantity supplied _____ when the price _____. 17) _____
A) is unchanged, falls B) is unchanged, rises
C) rises, rises D) falls, rises
- 18) Market demand and supply curves tell: 18) _____
A) the price at which a product will be bought or sold given the quantity bought or sold.
B) the quantity of a product that will be bought or sold given its price.
C) the size of government price supports in the market.
D) whether buyers and sellers are happy.
- 19) An equilibrium is determined by all of the following except: 19) _____
A) government directives to produce particular goods.
B) relationships among endogenous variables.
C) equality between the quantities demanded and supplied.
D) intersection of a demand curve and a supply curve.

- 20) The market reaches the equilibrium because: 20) _____
A) of luck.
B) the market forces will push prices up or down until quantity supplied equals quantity demanded.
C) the government indicates the equilibrium price and quantity.
D) entrepreneurs know their way around.
- 21) Economic theory assumes that people want: 21) _____
A) money in preference to all other goods. B) more of everything.
C) material goods primarily. D) to advance their own interests.
- 22) The price support program instituted by the government: 22) _____
A) will result in a quantity supplied larger than the equilibrium quantity.
B) will lead to a price below the competitive equilibrium.
C) will result in a quantity supplied smaller than the equilibrium quantity.
D) does not change the competitive equilibrium.
- 23) Which of the following is not part of economics? 23) _____
A) the production of goods and services B) allocation of scarce resources
C) an increased individual wealth D) among alternative uses
- 24) In economics, a resource endowment is: 24) _____
A) the things people are entitled to. B) the resources available to an economy.
C) the things people have inherited. D) a reward for efficient production.
- 25) Which of the following would be considered part of a resource endowment? 25) _____
A) technological knowledge B) general knowledge
C) a grade 12 diploma D) land
- 26) The only way to eliminate all competition from social life would be through: 26) _____
A) abolishing money.
B) eliminating all scarcity.
C) giving government the power to control everything.
D) eliminating all selfishness.
- 27) The building blocks of the economy are the following except: 27) _____
A) preferences of individuals. B) technology.
C) international trade. D) resource endowments.
- 28) Economics is: 28) _____
A) the study of how to make money on the stock market.
B) the study of consumer preferences.
C) a tough subject matter.
D) the study of the allocation of scarce resources to the production of alternative goods
- 29) An economy's technology is: 29) _____
A) a process for discovering new goods and services.
B) the unchanging part of manufacturing processes.
C) a machine used to produce a particular product.
D) its ways of using resources to produce goods.

- 30) Which of the following is an example of a technology? 30) _____
A) An iPhone 4. B) Microsoft Windows.
C) A recipe for chocolate chip cookies. D) Principles of microeconomics.
- 31) Which of the following statements is true when a common property problem exists? 31) _____
A) there is no incentive to utilize the resources.
B) resources are used too intensely.
C) the resources must be used for the common good.
D) governments don't know who to tax.
- 32) A preference ordering gives the: 32) _____
A) protocol rank of various government officials.
B) description of an individual's desires.
C) number of fish an individual is allocated.
D) order of admission to a social event.
- 33) Preferences are: 33) _____
A) what we use to rank goods. B) the amount of happiness one has.
C) a dollar measure of well being. D) a mathematical function.
- 34) In economics, self interest is a: 34) _____
A) positive assumption. B) measure of value.
C) measure of greed. D) normative assumption.
- 35) The preferences of individuals are key to economic analysis because: 35) _____
A) self-interest is not relevant for understanding how consumers act in the marketplace.
B) economics is taking a subjective view of the world.
C) self-interest is not relevant for the understanding of how firms operate.
D) motivation is important in explaining economic choices.
- 36) Institutions are considered important for economic analysis: 36) _____
A) laws and regulations explain all economic choices.
B) institutionalism is an important field in economics.
C) because they govern the interaction of economic actors.
D) government is paramount in a market economy.
- 37) Institutions are all of the following except: 37) _____
A) informal rules that are not government sanctioned.
B) laws governing ownership, antitrust, minimum wage, etc.
C) the rules of the game governing economic exchanges.
D) your local phone company.
- 38) Institutions exclude: 38) _____
A) social customs. B) ministry of industry.
C) the common law. D) religious orders.
- 39) When US President Barack Obama gave his Nobel prize money away, he was: 39) _____
A) forced to by domestic political pressure. B) making a mistake.
C) being altruistic. D) acting in his own self interest.

- 40) In economics, institutions: 40) _____
A) provide grants to artists and writers.
B) slow the rate of change in society.
C) conduct research in medicine and engineering.
D) control and direct private behaviour.
- 41) Comparative institutional analysis is concerned with the: 41) _____
A) differences between institutions across countries.
B) forces causing changes in institutions.
C) development of institutions over time.
D) effect of different institutions on the state of society.
- 42) A social state is: 42) _____
A) a specific allocation of goods to individuals.
B) a society which chooses to have many social events.
C) a society whose government follows socialist precepts.
D) membership in the Social Register.
- 43) Comparative statics analysis evaluates the effect of: 43) _____
A) endogenous variables on each other.
B) exogenous variables on each other.
C) exogenous variables on endogenous variables.
D) endogenous variables on exogenous variables.
- 44) When society moves from one social state to another, any gains are received, and any losses are paid, by: 44) _____
A) a windfall profit tax on those who gain.
B) a transfer tax to compensate losers.
C) the individuals involved.
D) voluntary compensation of losers by gainers.
- 45) Comparative statics is the method of analysing: 45) _____
A) the variables that cause market demand to change.
B) the difference between normative and positive questions.
C) the determinants of individual preferences.
D) the effect on a market equilibrium caused by a change in the model.
- 46) When economists evaluate the effect of carbon taxes on the market for gasoline, this is known as: 46) _____
A) the theory of self interest. B) normative economics.
C) general equilibrium analysis. D) comparative statics.
- 47) Climate change related to carbon dioxide emissions is an example of: 47) _____
A) the common property problem
B) the greed that is inherent in the market system.
C) the unitization of common property.
D) a problem that cannot be explained by economics.

- 48) Suppose that an increase in the global demand for corn has pushed the equilibrium price of corn above the government's support price. Which of the following would be true? 48) _____
- A) price would stay at the support price and government would not buy any corn.
 - B) quantity supplied would equal quantity demanded.
 - C) quantity supplied would be less than quantity demanded and the government would have to sell corn.
 - D) quantity supplied would be greater than quantity demanded and the government would buy more corn.
- 49) Normative economics: 49) _____
- A) determines which social state is most desirable.
 - B) is concerned with value judgments.
 - C) establishes fixed standards for behaviour.
 - D) tells us what has been, is, and will be.
- 50) The statement "I will either pass or fail this exam" is an example of: 50) _____
- A) a proposition that cannot be wrong.
 - B) a refutable proposition.
 - C) a useful and interesting remark.
 - D) the trials of a student's life.
- 51) Positive economics is an approach that: 51) _____
- A) is concerned with value judgments.
 - B) requires the economist to be as objective as possible.
 - C) requires the economists to be as subjective as possible.
 - D) makes research feel positive about the future
- 52) The statement "the government should do something about the ballooning budget deficit" is: 52) _____
- A) a positive one.
 - B) an irrefutable one.
 - C) a normative one.
 - D) a remark that states the obvious.
- 53) Normative economics: 53) _____
- A) involves value judgments.
 - B) is concerned with the possible social states of an economy.
 - C) tries to present the mere facts about the economy.
 - D) sets social norms and beliefs at the centre of the analysis.
- 54) Normative economics includes all of the following except: 54) _____
- A) valuates and ranks several social states.
 - B) assesses the desirability of a particular policy.
 - C) indicated ways of attaining a particular desirable social state.
 - D) explains how economies operate.
- 55) The economic model's validity is determined: 55) _____
- A) by testing it using real life evidence.
 - B) by convincing a great deal of economists of its correctness.
 - C) by testing it using experiments involving undergraduate economics students.
 - D) by making sure they have a flawless logic.

- 56) The Pareto criterion selects a social state by finding: 56) _____
A) the number of people who would vote for each social state.
B) whether at least one person is better off than in other social states.
C) the welfare budget required to support indigent people in each social state.
D) the profit stores would earn in each social state.
- 57) Pareto optimality is equivalent to: 57) _____
A) what Wilfredo Pareto deemed as optimal. B) an utopian economic outcome.
C) a certain economic outcome. D) economic efficiency.
- 58) Suppose that you found a trade that made you better off but no one else would be made worse off 58) _____
From this information, we can tell that::
A) the previous social state was Pareto optimal
B) the new social state is Pareto optimal
C) the new social state is not Pareto optimal
D) the previous social state was not Pareto optimal
- 59) The Cost-Benefit criterion selects a social state by finding whether: 59) _____
A) the gains to winners are greater than the losses to losers.
B) society can pay compensation to losers.
C) gainers and losers are indifferent between alternatives.
D) the number of gainers is larger than the number of losers.
- 60) The Cost-Benefit criterion assumes all of the following except: 60) _____
A) The distribution of costs and benefits is irrelevant.
B) Positive net social benefits indicate better social states.
C) "A dollar is a dollar."
D) Gains and losses from changes in social state are equal.
- 61) Cost-benefit analysis: 61) _____
A) stresses the importance of the distribution of benefits across economic agents.
B) a project is undertaken if the net social benefit is positive.
C) makes sure that the government can compensate all the losers.
D) makes sure there are more winners than losers.
- 62) A pure market economy: 62) _____
A) allows for the existence of rent control.
B) offers no role for the government.
C) consists only of supply and demand.
D) includes the institutions of private property.
- 63) The circular flow diagram: 63) _____
A) is not concerned with the interaction of individuals and firms in the economy.
B) abstracts from the complexity of the real life economies.
C) focuses on the flow of knowledge.
D) does not include the resource markets and goods markets.

- 64) The circular flow of economic activity reflects the: 64) _____
 A) flow of funds among banks and government agencies.
 B) tedium of ordinary activities.
 C) conduct of commercial activities.
 D) interactions among firms and individuals.
- 65) A pure market economy: 65) _____
 A) is where all firms own all resources.
 B) assumes all property is held in common.
 C) is where all goods and services are directed to their most valuable use by price.
 D) allows for some government intervention.
- 66) In a pure market economy, the role of the government is to: 66) _____
 A) regulate the markets where goods and services are exchanged.
 B) ensure that income is equitably distributed.
 C) define and enforce private property rights.
 D) reallocate resources to create Pareto improvements.
- 67) Microeconomics is concerned with: 67) _____
 A) distinguishing good from bad social policies.
 B) decisions by individuals and firms.
 C) the behaviour of invisible animals.
 D) economic aggregates.
- 68) Constructing an economic model requires all of the following except: 68) _____
 A) predictions deduced from assumptions. B) comparison with other economic models.
 C) explicit assumptions. D) empirical tests of deductions.
- 69) Building an economic model requires: 69) _____
 A) realistic assumptions.
 B) the use of politically correct assumptions.
 C) deriving a conclusion or prediction.
 D) richness comparable to that of the real world.
- 70) Locational models cannot be used to explain: 70) _____
 A) perfectly competitive markets.
 B) the nature of programing of new radio stations.
 C) the existence of mini-malls.
 D) the positions political parties assume along the political spectrum.
- 71) Assumptions are chosen primarily because they are: 71) _____
 A) convenient. B) abstract. C) simplifications. D) realistic.
- 72) Assumptions characterising an economic model need to be: 72) _____
 A) implicit. B) realistic. C) simple. D) numerous.
- 73) Suppose that a market for books is segmented at 1/2, has 100 customers who buy one book, charges \$7 per book, and pays \$5 per book. What is the profit earned in the market? 73) _____
 A) 700 B) 500 C) 200 D) 100

- 74) Suppose that two book stores are located at $a = 1/4$ and $b = 5/8$. What is the point of market segmentation according to Harold Hotelling's model? 74) _____
 A) $7/16$ B) $1/2$ C) $1/3$ D) $9/16$
- 75) Suppose that you plan to enter a book market with one existing store located at $2/3$. Where can you locate to maximize profit? 75) _____
 A) on the 0 (left) side of the existing store B) at a nearby mall
 C) on the 1 (right) side of the existing store D) at $1/2$
- 76) Locational models predict all of the following except: 76) _____
 A) distance measurements use a common scale.
 B) social organizations are similar to each other.
 C) television programs share common themes.
 D) firms in an industry locate near each other.
- 77) Locational models suggest that customers are better off if: 77) _____
 A) stores are operated as communes since costs are reduced and profits are earned by the customers.
 B) they are far from a store since noise, congestion, and garbage are reduced.
 C) there are many stores since price competition will lower the cost of goods.
 D) they are near a store since their travel time, and therefore the cost of travel, are reduced.
- 78) Useful economic models have all of the following characteristics except: 78) _____
 A) fruitfulness. B) abstractness. C) simplicity. D) robustness.
- 79) Economic models are tested: 79) _____
 A) under carefully controlled conditions. B) in repeated experiments.
 C) to find conclusive answers. D) with real world evidence.
- 80) Oil extraction arrangements need to deal with common property issues: 80) _____
 A) due to heavy regulation in the natural resource industries.
 B) due to the highly sensitive nature of oil reserves after the 9/11 events.
 C) because oil belongs to the entire people.
 D) as a result of the rule of capture.
- 81) A market is characterized by the demand and supply curves: $X_D = 40 - 4p$ and $X_S = 2 + p$, respectively. Which of the following is an appropriate designated support price under a price subsidy program? 81) _____
 A) \$3 B) \$0 C) \$9 D) \$7
- 82) A market is characterized by the demand and supply curves: $X_D = 40 - 4p$ and $X_S = 2 + p$, respectively. Under a buy-and-store program with a support price of \$9, the government will end up buying: 82) _____
 A) 11 units. B) 2 units. C) 5 units. D) 0 units.
- 83) Common property problems occur so frequently because: 83) _____
 A) Canadians are concerned with the social implications of economic activity.
 B) property systems are highly interdependent.
 C) people are greedy.
 D) oil extraction and fisheries play a prominent role in the Canadian economy.

- 84) The clustering model implies that several gas stations sometimes locate at the same intersection: 84) _____
 A) due to high demand for gasoline.
 B) in order to make buying gas more convenient.
 C) because land is expensive in cities.
 D) because profit maximization dictates this spatial arrangement.
- 85) If a is $1/4$ and b is $5/6$ in Hotelling's Main Street model, the second firm's market segment is: 85) _____
 A) $13/24$ B) $5/6$ C) $11/24$ D) $1/2$
- 86) The link between the assumption and the predictions of an economic model is: 86) _____
 A) obtained using the rules of logic.
 B) revised in the light of new empirical evidence.
 C) a function of the user's experience with economic theory.
 D) a function of the author's beliefs.

SHORT ANSWER. Write the word or phrase that best completes each statement or answers the question.

- 87) Present a real-life example that would illustrate the common property problem. 87) _____
- 88) Explain how the resource endowment is important for an economy. Does that mean that an economy with no significant natural resources has little chances to do well? 88) _____
- 89) Explain the difference between the buy-and-store program and the price subsidy program instituted by the government. 89) _____
- 90) Define the competitive equilibrium. Explain how market forces push the price towards this equilibrium. 90) _____
- 91) Suppose that the demand for butter can be expressed by the equation $Q^d = 150 - 15P$ and the supply for butter can be expressed by the equation $Q^s = -15 + 30P$ where Q is measured in millions of kilograms and P is the price per kilogram. What is the equilibrium price for butter? If the government institutes a price support of \$6 per kilogram, how much butter will the government have to purchase? 91) _____
- 92) Consider the water shortage problem described in Chapter 1. Compare and contrast the metered and non-metered schemes used to address the shortage issue. 92) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 93) Define cost-benefit analysis and discuss a couple of its limitations .
- 94) In what way is drinking water a scarce resource?
- 95) What is the self-interest theory or assumption? What is the main argument for using this theory? Provide a real-life example illustrating the usefulness of self-interest in gaining economic insight.
- 96) Comment on the following statement: "Pure positive economic analysis does not exist. In building their models economists use some of the inherent biases they possess."

- 97) Discuss the following remark from an economist's point of view: "Safe driving is the only concern in today's busy streets."
- 98) Consider building a model trying to explain the appearance of a new radio station in a city. The explanation sought here is the reason for choosing a particular format for the radio station and a particular theme. Discuss how the location model might be appropriate for this endeavor.

Answer Key

Testname: UNTITLED1

- 1) D
- 2) B
- 3) C
- 4) A
- 5) B
- 6) B
- 7) A
- 8) D
- 9) B
- 10) B
- 11) A
- 12) C
- 13) A
- 14) D
- 15) A
- 16) B
- 17) C
- 18) B
- 19) A
- 20) B
- 21) D
- 22) A
- 23) C
- 24) B
- 25) D
- 26) B
- 27) C
- 28) D
- 29) D
- 30) C
- 31) B
- 32) B
- 33) A
- 34) A
- 35) D
- 36) C
- 37) D
- 38) B
- 39) D
- 40) D
- 41) D
- 42) A
- 43) C
- 44) C
- 45) D
- 46) D
- 47) A
- 48) B
- 49) B
- 50) A

Answer Key

Testname: UNTITLED1

- 51) B
- 52) C
- 53) A
- 54) D
- 55) A
- 56) B
- 57) D
- 58) D
- 59) A
- 60) D
- 61) B
- 62) D
- 63) B
- 64) D
- 65) C
- 66) C
- 67) B
- 68) B
- 69) C
- 70) A
- 71) C
- 72) C
- 73) C
- 74) A
- 75) A
- 76) A
- 77) D
- 78) B
- 79) D
- 80) D
- 81) C
- 82) C
- 83) B
- 84) D
- 85) A
- 86) A
- 87) The difference between the cleanness of the microwave oven at home and in the students' lounge is telling. While at home each of us recognizes the value of instantly cleaning spilled food, in the lounge the incentives are such that most people do not clean the microwave oven after use.
- 88) Since producing goods and services requires the use of resources (labour, capital, natural resources, etc.) an economy would naturally have a better ability to produce goods and services if resources are plentiful. However, lacking one essential resource (e.g. oil) is not an insurmountable problem, since trade can make up for it.
- 89) The former, as the name implies, requires government to buy the good at a given support price and store the good until it is bought. The latter program requires the government paying the farmer the difference between the designated support price and the actual price for each unit of the good sold in the marketplace.
- 90) The competitive equilibrium price is the price at which quantity demanded equals quantity supplied. If there is either excess supply or demand the resulting pressure will give incentives to market participants to undertake the appropriate actions so that the resulting decisions are consistent.

Answer Key

Testname: UNTITLED1

- 91) The market equilibrium requires that $Q^d = Q^s$. Equating the right hand sides of the two equations and solving for P gives an equilibrium price of \$5. Using this price for either quantity give the equilibrium quantity, 75 million kgs. When the price is set at \$6, quantity demanded will be 60 million kgs and quantity supplied will be 105 million kgs. The government purchases 45 million kgs. This question corresponds to the illustration in Figure 1.4.
- 92) It is important to note that the schemes define the incentives that each user faces in conserving water and, therefore, in addressing the shortage problem. The non-metered scheme has each consumer pay a fixed annual fee regardless of the amount of water consumed. The metered scheme introduces a charge per price of water during the peak months when the shortage is acute. This pricing scheme will reduce consumption by reducing the quantity demanded. As such, the shortage is tackled via the price mechanism. However, the price per litre has to be carefully chosen in order to obtain an optimal allocation of the resource.
- 93) The cost-benefit analysis trades off gains for some individuals against losses for others by employing the net social benefit criterion to compare two social states. One limitation is that a dollar gained by some person is not usually offset exactly by a dollar lost by another since the ultimate impact on individuals' utility is subjective. Secondly, measuring gross social benefit and gross social cost is not a trivial endeavor in practice.
- 94) To the extent to which it takes economic resources (which have alternative uses) to make tap water available to households, drinking water is a scarce resource even though water in general seems to be plentiful in nature. Also, as the water shortage story in the chapter indicates, there is an additional problem that might result from the current institutional details that might make the supply of water particularly costly (scarce). In this example, the rule of capture provides the "wrong" kind of incentives to individual users (i.e. consuming too much water early for fear of lack of availability at a later stage).
- 95) The self-interest standard is based on the assumption of rationality (i.e. the economic agent understands the economic setting and acts accordingly), as well as on the assumption that individuals make choices so that they attain the highest ranking in their preferences. In other words, individuals act in ways that take into account the benefits and costs incurred by them personally. The water shortage problem in the text provides a good example.
- 96) This statement indicates that a purely objective picture of an economic setting is impossible to create. In looking at the real world we use some sort of "economic glasses" which will inherently focus on some aspects of our own reality, due to previous experience, pre-conceived opinions, etc. As a result, a purely positive analysis, one that just states the facts without introducing any bias at all is not possible, also because the complex outside world forces us to simplify things and that process is subjective in nature.
- 97) An economist would realize instantly that there are tradeoffs everywhere, including in the case of driving practices. After all, the safest speed is zero kilometers per hour, but that means there is no driving. Additional concerns are fluency in traffic, fuel consumption, enjoyment of driving, etc. The social state will result from the individual choices made by all the drivers present on the road, as a function of their experience, preferences, habits, etc, plus the nature of the traffic laws and the degree of enforcement provided by the police. An economic model analyzing the optimal driving situations should take into account the interaction between the above factors, including the informal norms that might come into being over time in the daily process of driving.
- 98) The idea is to consider the introduction of a new radio station as a location choice on the existing range of radio stations in the city. Specifically, the location will measure the degree of differentiation between the new station and the existing ones. The decision to bring a new radio station to the market has also something to do with the distribution of listeners' preferences.