

Each question is worth 4 points. Each question has only one best answer. The online exam uses 1,2,3,4 for answers rather than a,b,c,d. So online answers are as follows: a=1, b=2, c=3, d=4

1. Which of the following nations has the highest total consumption of wine in the world?
 - a. France
 - b. Italy
 - c. Germany
 - d. United States

2. Domestic wine firms in the U.S. sell 90% of the wine they produce to which of the following buyers?
 - a. Distributors
 - b. Retailers
 - c. Importers
 - d. Consumers

3. Which of the following wine products are produced in large volume by big wine companies and sold at relatively low prices?
 - a. Luxury wine
 - b. Premium wine
 - c. Commodity wine
 - d. Plonk wine

4. Which of the following is a feature of the wine market that makes it different from the market for a typical good?
 - a. Wine is a class of complex agricultural products that can be consumed for enjoyment or held as an investment.
 - b. Wine producers and consumers are both well-informed about the sensory characteristics of the wine products that are bought and sold.
 - c. All wine firms attempt to maximize profit.
 - d. State governments regulate the production of wine but not the distribution and sale of wine.

5. An economic incentive:
 - a. always involves money.
 - b. only affects the choices of winemakers whose objective is to maximize profit.
 - c. is ineffective in influencing the choices of consumers and producers in the wine market.
 - d. is anything that affects the benefit or cost of choosing an alternative.

6. You are a consultant who lives in Ann Arbor that makes \$50 per hour. The price of a bottle of Robert Mondovi Cabernet Sauvignon wine is \$35 at Kroger, located three miles from your house, and \$25 at the Plum Market, located eight miles from your house. It takes you 30 minutes to drive to Kroger and purchase the wine, and one hour to drive to the Plum market and purchase the wine. The opportunity cost of purchasing the wine is:
- the same at the two stores.
 - \$15 more at the Plum market than Kroger.
 - \$10 more at Kroger than the Plum Market.
 - \$85 at Kroger and \$50 at the Plum Market.
7. Assume that a wine proprietor chooses to increase the quality of a wine product that she sells. She expects this increase in quality to increase her revenue by \$30,000 and increase her cost by \$50,000. Which of the following is a reasonable conclusion to draw?
- Her objective is to maximize profit.
 - She does not care about making a profit.
 - She is willing to trade-off \$20,000 of profit for the utility she gets from producing a higher quality wine.
 - She is making an irrational decision because the benefit of increasing quality is less than the cost.
8. Suppose that the maximum amount you are willing to pay for one bottle of Kendall-Jackson Chardonnay per week is \$16, a second bottle \$12, a third bottle \$8, a fourth bottle \$4, and a fifth bottle \$0. If the price of a bottle of Kendall-Jackson is \$10, how many bottles will you buy per week if you are a rational consumer?
- 1
 - 2
 - 3
 - 4
9. Suppose that this year's grape crop is twice as large as last year's. As a result, wine grape prices decrease by 25%. In the context of supply and demand analysis, how will this affect the equilibrium price and quantity bought and sold of wine?
- Price will decrease, quantity will increase.
 - Price will increase, quantity will decrease.
 - Price will decrease, quantity will decrease.
 - Price will increase, quantity will increase.

10. Wine:
- is a differentiated good.
 - is a search good.
 - is a homogenous good.
 - Both a and b.
11. Which of the following is a sensory characteristic of wine?
- The location where wine grapes are grown.
 - The techniques used to make wine.
 - The smell of wine.
 - All the above.
12. Suppose an automobile has two characteristics: engine size and fuel economy. Auto A has an engine size of 4 liters and a fuel economy of 10 mpg. Auto B has an engine size of 3 liters and a fuel economy of 20 mpg. A typical consumer is willing to pay \$5,000 for each liter of engine size and \$1,000 for each mpg of fuel economy. Which of the following is a valid conclusion?
- Auto A has a higher subjective quality than auto B.
 - Auto B has a higher subjective quality than auto A.
 - Auto A has a higher objective quality than auto B.
 - Auto B has a higher objective quality than auto A.
13. Suppose that I provide the following description of a wine. "It has aromas of black currant, blueberry, cinnamon spice, vanilla, cedar, and fresh earth." Given the findings of scientific studies, why might you think my description of this wine is contrived or made-up?
- It is impossible for a wine to smell like vanilla.
 - Wine has more than 300 aroma compounds, so it must have more than six different aromas.
 - Individuals do not have the ability to detect more than four aromas in a beverage.
 - All wine contains sugar so it should smell sweet.
14. Two studies by Robert Hodgson examine whether wine experts assign consistent wine scores. He finds evidence that:
- A single expert assigns consistent scores to the same wine product in repeated blind tastings.
 - A single expert assigns inconsistent scores to the same wine product in repeated blind tastings.
 - Different experts assign inconsistent scores to the same wine product in blind tastings.
 - Both b and c.
15. Which of the following is a taste component of wine?
- Alcohol
 - Acidity
 - Tannin
 - All the above

16. The major source of wine color is:
- chemical pigment in grape skins.
 - acidity found in grape pulp.
 - polyphenols found in grape seeds.
 - artificial coloring added to a wine during fermentation.
17. Which wine has the following Characteristic Varietal Wine Aroma – Floral, fruity (apple, peach, apricot), vegetative or herbaceous (bell pepper, asparagus), vanilla, butter, spicy (cloves):
- Gewürztraminer
 - Sauvignon Blanc
 - Pinot Noir and red Burgundies
 - White Riesling (and white German wines)
18. Young sparkling wines, with no aging or minimum aging on the lees have what type of aromas:
- creamy (soy or sour cream).
 - caramelized (malt extract or cocoa).
 - nutty (hazelnut or toasted almond).
 - fruity (green apple, watermelon, or pear).
19. The four major wine tastes are:
- salt, bitter, sour, or sweet.
 - acidity, bitter, sour, or sweet.
 - salt, bitter, sour, or sweet.
 - tannin, bitter, sour, or sweet.
20. Cool locations tend to produce grapes with:
- higher levels of sugar.
 - lower levels of sugar.
 - higher levels of acidity.
 - lower levels of acidity.
21. Richard Quandt argues critic's tasting notes:
- are nonsensical.
 - are vacuous.
 - provide no useful information.
 - all the above.

22. James Suckling, his son, and two other tasters, taste how many wines a year?
- 1000.
 - 18000.
 - 10000.
 - 5000.
23. What are the characteristics of the '15 Tignanello?
- warm vintage; full body; juicy, chewy tannins; low acidity; lots of fruit.
 - warm yet balanced vintage; full body; structured but fine tannins; medium acidity; intense but elegant.
 - warm vintage; full body; more firm tannins; more freshness and precision.
 - moderate year with some rain; medium body; medium, dry tannins; medium to high acidity.
24. Suppose a computer programmer who makes \$30 an hour desires to purchase a bottle of Caymus Cabernet Sauvignon. She knows this wine is selling for \$70 at a wine shop close to her house, so that it would require only ten minutes to make the purchase. Suppose that by spending an hour searching other stores in her town, she could find one that charges the lower price of \$60 for the same wine. Which wine should she purchase and what is the "actual" cost?
- wine at shop close to house @ \$75.
 - wine at shop after searching @ \$60.
 - wine at shop after searching @ \$90.
 - wine at shop close to house @ \$70.
25. What wine critic uses this scoring system -
100-96 "As good as it gets. These wines reach the peak of my personal scale of quality."
- Robert M Parker.
 - Jancis Robinson.
 - James Suckling.
 - Jeb Dunnuck.