ECO333H1F: Urban Economics
Fall 2025
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Practice Midterm Questions

True/False/Uncertain questions

1. Measuring economic activity over time in an urban area does not require consistent definitions.

> **Solution:** False. It is necessary to have consistent definitions of an urban area in order to measure economic activity over time. For example, in class we discussed how in 1998, several municipalities were amalgamated into the present-day City of Toronto. The amalgamation mechanically increased the population of the City of Toronto. Without accounting for this change in boundaries, a naive measure of the city's population would show a significant and unexpected jump in the population over this time period.

2. Consider a region that produces and consumes two products, bread and shirts. People use the raw materials from land (wool and wheat) to produce the two consumer products. Under the assumption of