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Pool Canvas

Add, modify, and remove questions. Select a question type from the Add Question drop-down list and click **Go** to add questions. Use Creation Settings to establish which default options, such as feedback and images, are available for question creation.

Add [Creation Settings](#)**Name** TestBanks Chapter 03: Supply and Demand**Description** Question pool for TestBanks Chapter 03: Supply and Demand**Instructions** [Add Question Here](#)

Question 1

Multiple Choice**0 points****Question**

The market for corn in Kansas is considered to be competitive. This means there are _____ buyers and _____ sellers of corn in Kansas.

Answer

many; few

few; many

☒ many; many

few; few

[Add Question Here](#)

Question 2

Multiple Choice**0 points****Question**

The law of demand states that other things equal:

Answer

as the price increases, the quantity demanded will increase.

as the price decreases, the demand curve will shift to the right.

as the price increases, the demand will decrease.

☒ as the price increases, the quantity demanded will decrease. [Add Question Here](#)

Question 3

Multiple Choice**0 points****Question**

A negative relationship between the quantity demanded and price is called the law of:

Answer☒ demand.

increasing returns.

market clearing.

supply.

[Add Question Here](#)

Question 4

Multiple Choice**0 points****Question**

Which of the following examples illustrates the law of demand?

Answer

An increase in tuition encourages more students to enroll in college because the quality of education has risen.

☒ Consumers buy more personal computers because prices have fallen.

Oil companies drill for new sources of oil because oil prices are higher.

Fewer people play golf because incomes are lower.

◀ [Add Question Here](#)

Question 5

Multiple Choice

0 points

Modify

Remove

Question

_____ illustrates an inverse relationship between price and quantity.

Answer

- ✓ A demand curve
- A supply curve
- A production possibility frontier
- Equilibrium

◀ [Add Question Here](#)

Question 6

Multiple Choice

0 points

Modify

Remove

Question

A negative relationship between the quantity demanded and price is called the law of _____.

Answer

- ✓ demand
- marginality
- efficiency
- supply

◀ [Add Question Here](#)

Question 7

Multiple Choice

0 points

Modify

Remove

Question

The law of demand is illustrated by a demand curve that is:

Answer

- horizontal.
- ✓ downward sloping.
- vertical.
- upward sloping.

◀ [Add Question Here](#)

Question 8

Multiple Choice

0 points

Modify

Remove

Question

The law of demand implies that:

Answer

- consumers are not responsive to price changes.
- ✓ consumers will buy more at lower prices.
- sellers will offer more on the market at higher prices.
- sellers will offer less on the market at lower prices.

◀ [Add Question Here](#)

Question 9

Multiple Choice

0 points

Modify

Remove

Question

The _____ apples will decrease when apple prices rise.

Answer

- demand for
- ✓ quantity demanded of
- supply of
- equilibrium of

[◀ Add Question Here](#)

Question 10 Multiple Choice

0 points

Modify

Remove

Question

A decrease in the price of a good will result in:

- Answer**
- an increase in demand.
 - an increase in supply.
 - ✓ an increase in the quantity demanded.
 - more being supplied.

[◀ Add Question Here](#)

Question 11 Multiple Choice

0 points

Modify

Remove

Question

Which of the following factors would cause a movement along the demand curve for a particular good?

- Answer**
- a change in the prices of related goods
 - ✓ a change in the price of that good
 - a change in the size of the population
 - both a change in the price of that good and a change in the size of the population

[◀ Add Question Here](#)

Question 12 Multiple Choice

0 points

Modify

Remove

Question

A decrease in the price of eggs will result in:

- Answer**
- an increase in the demand for eggs.
 - an increase in the supply of eggs.
 - an increase in the quantity of eggs supplied.
 - ✓ an increase in the quantity of eggs demanded.

[◀ Add Question Here](#)

Question 13 Multiple Choice

0 points

Modify

Remove

Question

Which of the following best describes the law of demand?

- Answer**
- As income taxes rise, fewer new cars are purchased.
 - As the price of corn rises, more acres of corn are planted.
 - ✓ As the price of a DVD rental rises, fewer DVDs are rented.
 - As the population rises, more electricity is consumed.

[◀ Add Question Here](#)

Question 14 Multiple Choice

0 points

Modify

Remove

Question

Which of the following statements is correct?

- Answer**
- A change in demand is a movement along the demand curve, and a change in quantity demanded is a shift of the demand curve.
 - Both a change in quantity demanded and a change in demand are movements along the demand curve, only in different directions.

Both a change in quantity demanded and a change in demand are shifts of the demand curve, only in different directions.

- ✓ A change in quantity demanded is a movement along the demand curve, and a change in demand is a shift of the demand curve.

◀ [Add Question Here](#)

Question 15

Multiple Choice

0 points

Modify

Remove

Question

In much of the country, homeowners choose to heat their houses with either natural gas or home heating oil. Which of the following would cause a change in the demand for natural gas?

Answer

- a change in the price of home heating oil
- a change in income
- an increase in consumer tastes for natural gas as an energy source
- ✓ all of the above

◀ [Add Question Here](#)

Question 16

Multiple Choice

0 points

Modify

Remove

Question

Raclette is a popular wintertime dish in Switzerland. It is essentially melted Raclette cheese over boiled new potatoes. If the price of Raclette cheese decreased, we would expect to see:

Answer

- an increase in demand for Raclette cheese.
- ✓ an increase in demand for new potatoes.
- no effect on the demand for either of the Raclette ingredients, since this is a traditional dish and its consumption does not depend on the prices of the ingredients.
- an increase in demand for Raclette cheese and for new potatoes.

◀ [Add Question Here](#)

Question 17

Multiple Choice

0 points

Modify

Remove

Question

When the economy suffers a downturn and the incomes of many people decrease, vacationers are more likely to take car trips than to fly. Which of the following provides one possible explanation for this phenomenon?

Answer

- Air travel and vacation travel by car are complementary goods.
- Air travel and vacation travel by car are both normal goods.
- ✓ Air travel is a normal good and vacation travel by car is an inferior good.
- Air travel is an inferior good and vacation travel by car is a normal good.

◀ [Add Question Here](#)

Question 18

Multiple Choice

0 points

Modify

Remove

Question

A shift of the demand curve for thin-crust pizza would *not* be caused by a change in:

Answer

- buyers' incomes.
- ✓ the price of thin-crust pizza.
- the price of thick-crust pizza.
- the popularity of thin-crust pizza.

◀ [Add Question Here](#)

Question 19 Multiple Choice

0 points

[Modify](#)
[Remove](#)**Question**

If goods A and B are substitutes, a decrease in the price of good B will:

- Answer**
- increase the demand for good A.
 - increase the demand for good B.
 - ✓ decrease the demand for good A.
 - increase the demand for good B and decrease the demand for good A.

[◀ Add Question Here](#)

Question 20 Multiple Choice

0 points

[Modify](#)
[Remove](#)**Question**

If goods A and Z are complements, an increase in the price of good Z will:

- Answer**
- increase the demand for good A.
 - ✓ decrease the demand for good A.
 - decrease the demand for good Z.
 - decrease the demand for both good A and good Z.

[◀ Add Question Here](#)

Question 21 Multiple Choice

0 points

[Modify](#)
[Remove](#)**Question**

Over the past several years, consumers have had an increasing interest in getting a tattoo. This means that the _____ for tattoos has _____.

- Answer**
- quantity demanded; increased
 - demand; decreased
 - ✓ demand; increased
 - quantity demanded; decreased

[◀ Add Question Here](#)

Question 22 Multiple Choice

0 points

[Modify](#)
[Remove](#)**Question**

Which of the following will *not* cause an increase in demand for good X?

- Answer**
- a decrease in income if good X is an inferior good
 - an increase in income if good X is a normal good
 - ✓ a decrease in the price of good X
 - an increase in consumers' taste for good X

[◀ Add Question Here](#)

Question 23 Multiple Choice

0 points

[Modify](#)
[Remove](#)**Question**

A good is normal if which of the following is true?

- Answer**
- When income increases, the demand remains unchanged.
 - When income increases, the demand decreases.
 - ✓ When income increases, the demand increases.
 - Income and the demand are unrelated.

[◀ Add Question Here](#)

Question 24 Multiple Choice

0 points

[Modify](#)
[Remove](#)

Question

A good is inferior if which of the following is true?

- Answer**
- When income increases, the demand remains unchanged.
 - ✓ When income increases, the demand decreases.
 - When income increases, the demand increases.
 - Income and the demand are unrelated.

◀ [Add Question Here](#)

Question 25

Multiple Choice

0 points

Modify

Remove

Question

The demand curve for videos has shifted to the right. What could have caused it?

- Answer**
- a fall in the price of videos
 - an increase in the price of videos
 - an increase in the supply of videos
 - ✓ an increase in the incomes of buyers

◀ [Add Question Here](#)

Question 26

Multiple Choice

0 points

Modify

Remove

Question

Which of the following best describes demand?

- Answer**
- A change in demand is a movement along the demand curve, and a change in quantity demanded is a shift in the demand curve.
 - ✓ A change in quantity demanded is a movement along the demand curve, and a change in demand is a shift in the demand curve.
 - Both a change in quantity demanded and a change in demand are shifts in the demand curve, only in different directions.
 - Both a change in quantity demanded and a change in demand are movements along the demand curve, only in different directions.

◀ [Add Question Here](#)

Question 27

Multiple Choice

0 points

Modify

Remove

Question

If people demand more of product **A** when the price of **B** falls, then **A** and **B** are:

- Answer**
- not related.
 - substitutes.
 - ✓ complements.
 - inferior goods.

◀ [Add Question Here](#)

Question 28

Multiple Choice

0 points

Modify

Remove

Question

If the demand for tires goes down when the price of gas goes up, then tires and gas are:

- Answer**
- substitutes.
 - ✓ complements.
 - both expensive.
 - both inexpensive.

◀ [Add Question Here](#)

Question 29 Multiple Choice

0 points

Modify

Remove

Question

An increase in the price of hamburger would probably result in _____ in the demand for hamburger buns.

Answer

- ☒ a decrease
- ☐ an increase
- ☐ no change
- ☐ random fluctuations

[◀ Add Question Here](#)

Question 30 Multiple Choice

0 points

Modify

Remove

Question

An announcement that smoking will harm your ability to think clearly will most likely result in:

Answer

- ☐ an increase in the quantity of cigarettes demanded.
- ☒ a decrease in the demand for cigarettes.
- ☐ no change in smoking habits.
- ☐ an increase in the price of cigarettes.

[◀ Add Question Here](#)

Question 31 Multiple Choice

0 points

Modify

Remove

Question

If steak and potatoes are complements, when the price of steak goes up, the demand curve for potatoes:

Answer

- ☐ shifts to the right.
- ☒ shifts to the left.
- ☐ stays the same.
- ☐ shifts to the right and then moves back.

[◀ Add Question Here](#)

Question 32 Multiple Choice

0 points

Modify

Remove

Question

If chicken and beef are substitutes, then a fall in the price of chicken will bring about:

Answer

- ☐ an increase in the demand for beef.
- ☒ a decrease in the demand for beef.
- ☐ a decrease in the quantity demanded of beef.
- ☐ no change in the demand for beef.

[◀ Add Question Here](#)

Question 33 Multiple Choice

0 points

Modify

Remove

Question

For most goods, purchases tend to rise with increases in buyers' incomes and to fall with decreases in buyers' incomes. Such goods are known as:

Answer

- ☐ inferior goods.
- ☐ direct goods.
- ☒ normal goods.
- ☐ indirect goods.

[◀ Add Question Here](#)

Question 34 Multiple Choice

0 points

Modify

Remove

Question

An inferior good is one for which _____ in buyers' income causes _____.

Answer

- an increase; an increase in demand
- an increase; an increase in quantity demanded
- ✓ an increase; a decrease in demand
- a decrease; a decrease in demand

[◀ Add Question Here](#)

Question 35 Multiple Choice

0 points

Modify

Remove

Question

Pizza is a normal good. If students' incomes at your college increase, the effect on pizza would be:

Answer

- ✓ an increase in the demand.
- an increase in the quantity demanded.
- a decrease in the demand.
- no change in the demand.

[◀ Add Question Here](#)

Question 36 Multiple Choice

0 points

Modify

Remove

Question

After graduation from college, you might have an increase in your income from a new job. If, as a result, you decide that you will purchase more T-bone steak and less hamburger, then for you hamburger would be considered:

Answer

- a normal good.
- a substitute good.
- a complementary good.
- ✓ an inferior good.

[◀ Add Question Here](#)

Question 37 Multiple Choice

0 points

Modify

Remove

Question

An increase in the demand for gasoline today caused by concerns that gasoline prices will be higher tomorrow is most likely attributable to which of the following?

Answer

- income
- ✓ consumer expectations
- consumer preferences
- prices of other goods

[◀ Add Question Here](#)

Question 38 Multiple Choice

0 points

Modify

Remove

Question

Which of the following would shift the demand curve for new textbooks to the right?

Answer

- a decrease in the price of paper
- a fall in the price of used textbooks
- ✓ an increase in college enrollment

a fall in the price of new textbooks

◀ [Add Question Here](#)

Question 39 **Multiple Choice**

0 points

Modify

Remove

Question

Which of the following is likely to cause a rightward shift in the demand for home-delivered pizza?

Answer

- a lower price of pizza
- a lower price of fast-food hamburgers
- a higher price of pepperoni
- ✓ a larger population

◀ [Add Question Here](#)

Question 40 **Multiple Choice**

0 points

Modify

Remove

Question

Which of the following describes two goods that are most likely substitutes in consumption?

Answer

- loaves of bread and sticks of butter
- loaves of bread and toasters
- ✓ loaves of bread and hamburger buns
- loaves of bread and gasoline

◀ [Add Question Here](#)

Question 41 **Multiple Choice**

0 points

Modify

Remove

Question

The demand for meals at a local Applebee's will shift to the left if:

- Answer** ✓ the Olive Garden offers a 10% discount coupon in the local newspaper.
- the price of a meal at Applebee's rises.
 - local incomes increase and Applebee's is a normal good.
 - the price of gasoline falls in the local area.

◀ [Add Question Here](#)

Question 42 **Multiple Choice**

0 points

Modify

Remove

Question

Which will *not* increase demand for desktop computers?

Answer

- an increase in the incomes of computer users
- cool new computer games
- ✓ Dell Computers going out of business
- the price of notebook computers increasing

◀ [Add Question Here](#)

Question 43 **Multiple Choice**

0 points

Modify

Remove

Question

What will happen in the market for canned pinto beans if your income increases?

Answer

- Demand will increase if pinto beans are an inferior good.
- ✓ Demand will increase if pinto beans are a normal good.
- Supply will increase if pinto beans are an inferior good.

Supply will increase if pinto beans are a normal good.

[Add Question Here](#)

Question 44 **Multiple Choice**

0 points

Modify

Remove

Question

When the price of gas goes down and the demand for tires goes up, a likely possibility is that tires and gas are:

Answer

- ☐ substitutes.
- ☒ complements.
- ☐ both expensive.
- ☐ both inexpensive.

[Add Question Here](#)

Question 45 **Multiple Choice**

0 points

Modify

Remove

Question

If the price of hamburger decreased, it would probably result in _____ in the demand for hamburger buns.

Answer

- ☐ a decrease
- ☒ an increase
- ☐ no change
- ☐ random fluctuations

[Add Question Here](#)

Question 46 **Multiple Choice**

0 points

Modify

Remove

Question

The demand curve for running shoes has shifted to the right. What could have caused it?

Answer

- ☐ a fall in the price of running shoes
- ☐ an increase in the price of running shoes
- ☐ an increase in the supply of running shoes
- ☒ an increase in the income of buyers of running shoes

[Add Question Here](#)

Question 47 **Multiple Choice**

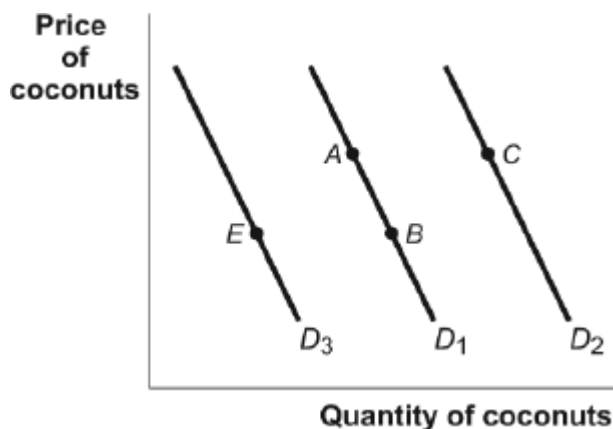
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Modify

Remove

Question

Figure: Demand for Coconuts



Reference: Ref 3-1

(Figure: Demand for Coconuts) Look at the figure Demand for Coconuts. If coconuts are a normal good and the price of coconuts increases, it would be represented in the figure as a movement from:

Answer

- ☐ A to B
- ☒ B to A
- ☐ C to A
- ☐ E to B

[Add Question Here](#)

Question 48

Multiple Choice

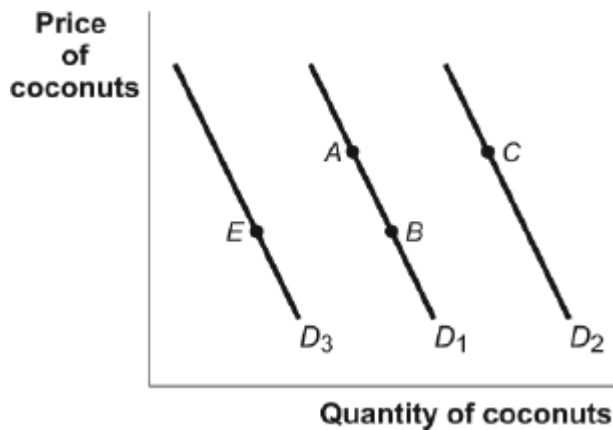
0 points

Modify

Remove

Question

Figure: Demand for Coconuts



Reference: Ref 3-1

(Figure: Demand for Coconuts) Look at the figure Demand for Coconuts. If fish is a substitute good for coconuts and the price of fish increases, it will be represented in the figure as a movement from:

Answer

- ☒ A to C
- ☐ B to A
- ☐ C to A
- ☐ B to E

[Add Question Here](#)

Question 49

Multiple Choice

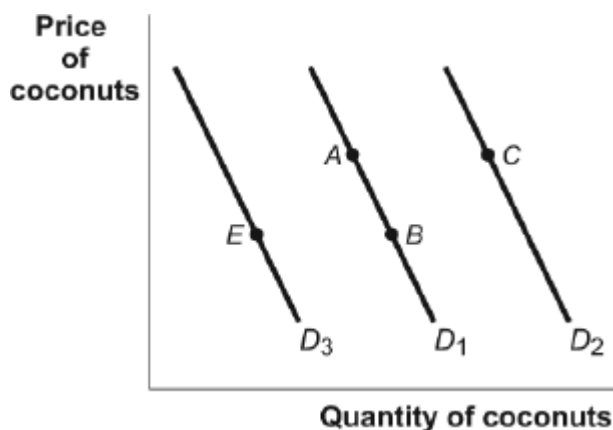
0 points

Modify

Remove

Question

Figure: Demand for Coconuts



Reference: Ref 3-1

(Figure: Demand for Coconuts) Look at the figure Demand for Coconuts. If coconuts are a normal good and the income level of consumers falls, it will be represented in the figure as a movement from:

Answer

*A to C.**B to A.*✓ *C to A.**E to B.*[◀ Add Question Here](#)

Question 50

Multiple Choice

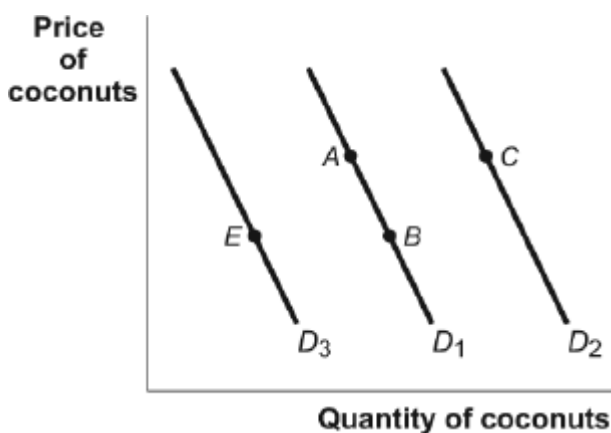
0 points

Modify

Remove

Question

Figure: Demand for Coconuts



Reference: Ref 3-1

(Figure: Demand for Coconuts) Look at the figure Demand for Coconuts. If there is an increase in preference for coconuts, it will be represented in the figure as a movement from:

Answer

✓ *A to C.**B to A.**C to A.**B to E.*[◀ Add Question Here](#)

Question 51

Multiple Choice

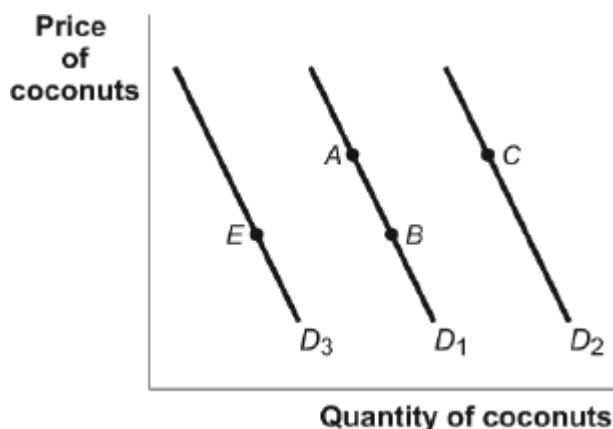
0 points

Modify

Remove

Question

Figure: Demand for Coconuts



Reference: Ref 3-1

(Figure: Demand for Coconuts) Look at the figure Demand for Coconuts. If coconuts are a normal good and consumers believe that the price of coconuts will rise significantly in the near future, it will be represented in the figure as a movement from:

Answer

C to A

A to B

B to E

✓ *E to B*

◀ [Add Question Here](#)

Question 52

Multiple Choice

0 points

Modify

Remove

Question

Table: The Demand for Chocolate-Covered Peanuts

Price per Bag	Quantity Demanded (bags per month)		
	George	Barbara	Dan
\$0.90	10	0	60
0.80	15	10	80
0.70	20	20	100
0.60	25	30	120
0.50	30	40	140
0.40	35	50	160
0.30	40	60	180

Reference: Ref 3-2

(Table: The Demand for Chocolate-Covered Peanuts.) Look at the table The Demand for Chocolate-Covered Peanuts. If the price of chocolate-covered peanuts is \$0.60, the quantity demanded by George is _____ bags per month.

Answer

10

15

✓ 25

30

◀ [Add Question Here](#)

Question 53

Multiple Choice

0 points

Modify

Remove

Question**Table: The Demand for Chocolate-Covered Peanuts**

Price per Bag	Quantity Demanded (bags per month)		
	George	Barbara	Dan
\$0.90	10	0	60
0.80	15	10	80
0.70	20	20	100
0.60	25	30	120
0.50	30	40	140
0.40	35	50	160
0.30	40	60	180

Reference: Ref 3-2

(Table: The Demand for Chocolate-Covered Peanuts) Look at the table The Demand for Chocolate-Covered Peanuts. Barbara demands 20 bags of chocolate-covered peanuts when the price of each bag is _____.

Answer

\$0.90

\$0.80

✓ \$0.70

\$0.60

 [Add Question Here](#)

Question 54

Multiple Choice**0 points**

Modify

Remove

Question**Table: The Demand for Chocolate-Covered Peanuts**

Price per Bag	Quantity Demanded (bags per month)		
	George	Barbara	Dan
\$0.90	10	0	60
0.80	15	10	80
0.70	20	20	100
0.60	25	30	120
0.50	30	40	140
0.40	35	50	160
0.30	40	60	180

Reference: Ref 3-2

(Table: The Demand for Chocolate-Covered Peanuts) Look at the table The Demand for Chocolate-Covered Peanuts. If George, Barbara, and Dan are the only three buyers in the market and the price of a bag of chocolate-covered peanuts is \$0.80, the total market demand is _____ bags per month.

Answer

70

80

✓ 105

280

 [Add Question Here](#)

Question 55

Multiple Choice

0 points

Modify

Remove

Question

Table: The Demand for Chocolate-Covered Peanuts

Price per Bag	Quantity Demanded (bags per month)		
	George	Barbara	Dan
\$0.90	10	0	60
0.80	15	10	80
0.70	20	20	100
0.60	25	30	120
0.50	30	40	140
0.40	35	50	160
0.30	40	60	180

Reference: Ref 3-2

(Table: The Demand for Chocolate-Covered Peanuts) Look at the table The Demand for Chocolate-Covered Peanuts. If George, Barbara, and Dan are the only three buyers in the market and the price of a bag of chocolate-covered peanuts is \$0.50, the total market demand is _____ bags per month.

Answer

80

105

✓ 210

280

◀ [Add Question Here](#)

Question 56

Multiple Choice

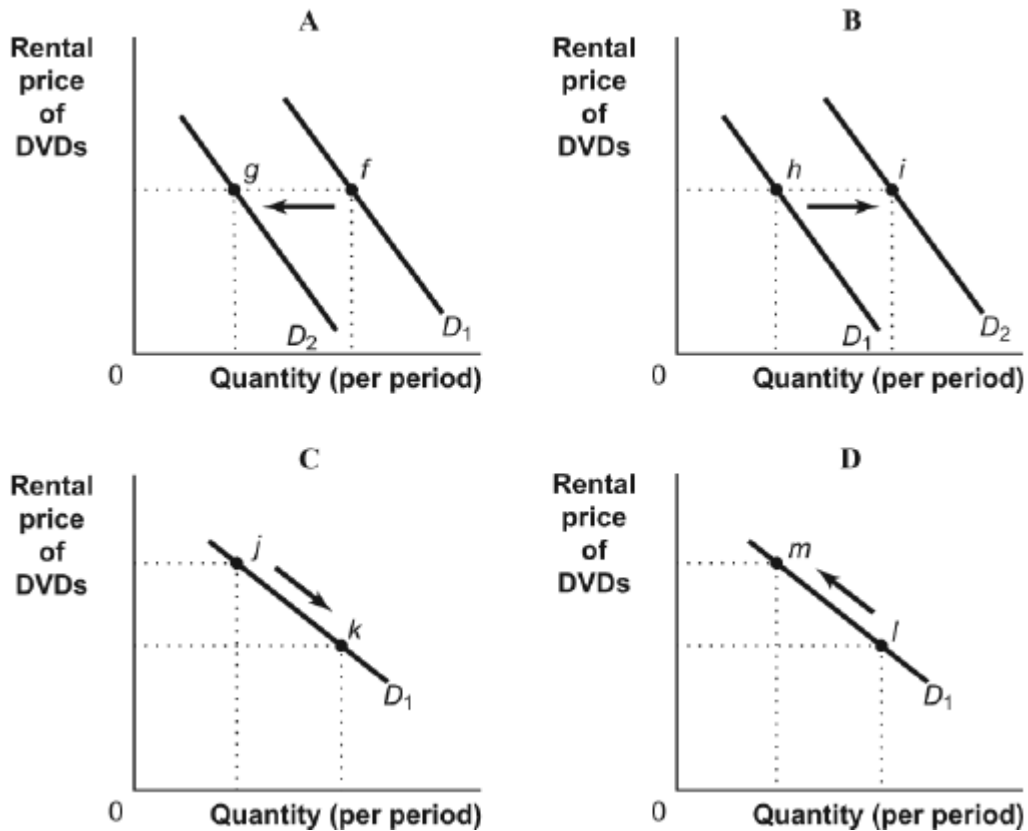
0 points

Modify

Remove

Question

Figure: Demand for DVDs



Reference: Ref 3-3

(Figure: Demand for DVDs) Look at the figure Demand for DVDs. A decrease in the rental price of DVD would result in a change illustrated by:

- Answer**
- the move from f to g in panel A.
 - the move from h to i in panel B.
 - ✓ the move from j to k in panel C.
 - the move from l to m in panel D.

[Add Question Here](#)

Question 57

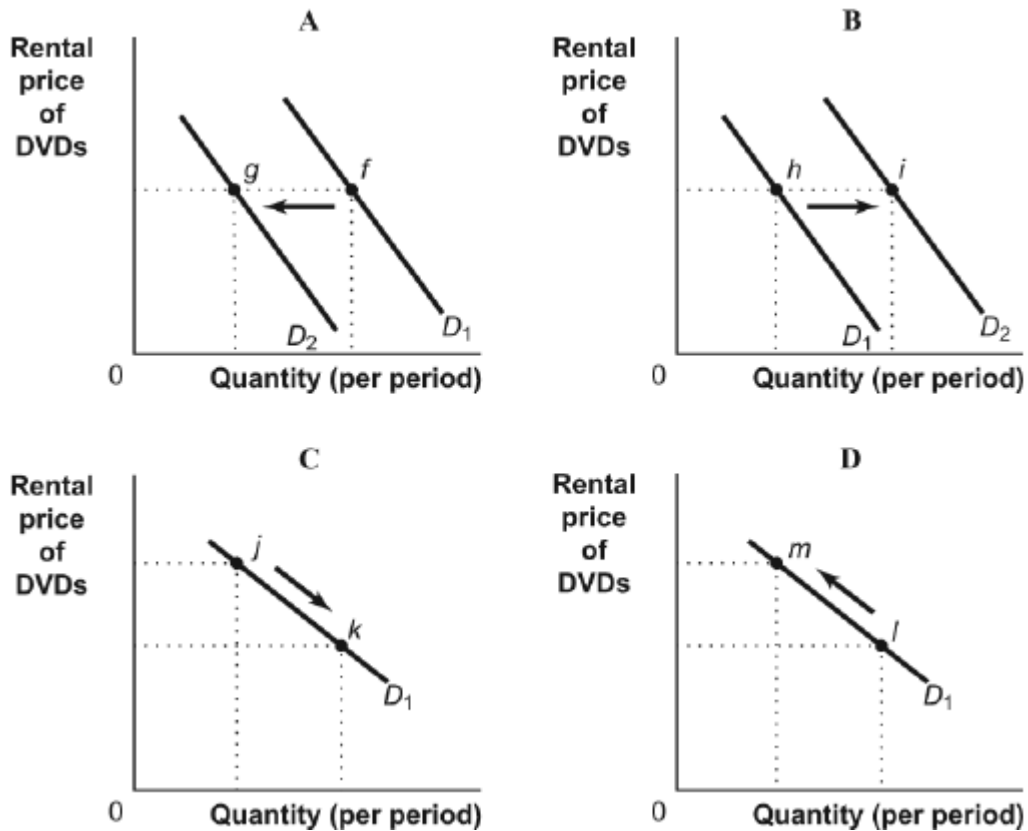
Multiple Choice

0 points

Modify
Remove

Question

Figure: Demand for DVDs



Reference: Ref 3-3

(Figure: Demand for DVDs) Look at the figure Demand for DVDs. A decrease in the price of DVD players (a complement) would result in a change illustrated by:

- Answer**
- the move from f to g in panel A.
 - ✓ the move from h to i in panel B.
 - the move from j to k in panel C.
 - the move from l to m in panel D.

[Add Question Here](#)

Question 58

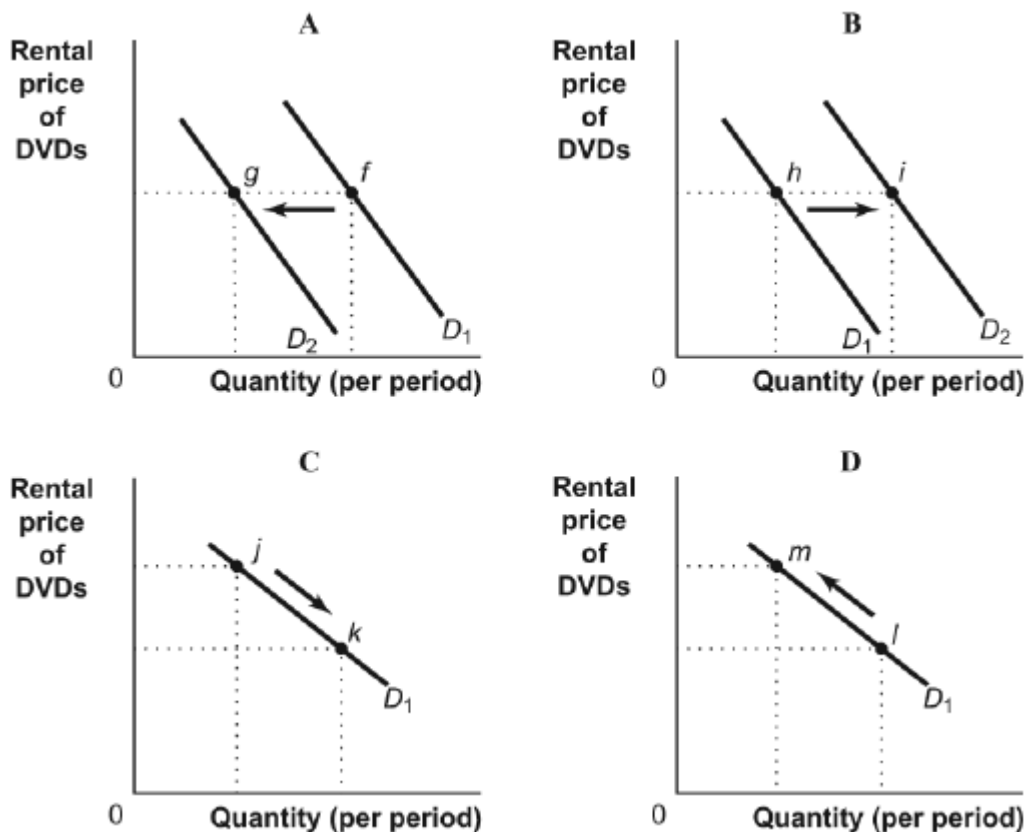
Multiple Choice

0 points

Modify
Remove

Question

Figure: Demand for DVDs



Reference: Ref 3-3

(Figure: Demand for DVDs) Look at the figure Demand for DVDs. A decrease in the price of movie tickets (a substitute) would result in a change illustrated by:

- Answer**
- ✓ the move from *f* to *g* in panel A.
 - the move from *h* to *i* in panel B.
 - the move from *j* to *k* in panel C.
 - the move from *l* to *m* in panel D.

[Add Question Here](#)

Question 59

Multiple Choice

0 points

Modify
Remove

Question

_____ illustrates a direct relationship between price and quantity.

- Answer**
- A demand curve
 - ✓ A supply curve
 - A production possibility frontier
 - Equilibrium

[Add Question Here](#)

Question 60

Multiple Choice

0 points

Modify
Remove

Question

The typical supply curve illustrates that:

- Answer**
- other things equal, the quantity supplied for a good is inversely related to the price of a good.
 - other things equal, the supply of the good creates its own demand for the good.
 - ✓ other things equal, the quantity supplied for a good is positively related to the price of a good.

price and quantity supplied are unrelated.

◀ [Add Question Here](#)

Question 61 **Multiple Choice**

0 points

Modify

Remove

Question

When the price of lamps increases, the:

- Answer**
- ☐ supply increases.
 - ☒ quantity supplied increases.
 - ☐ supply decreases.
 - ☐ quantity supplied decreases.

◀ [Add Question Here](#)

Question 62 **Multiple Choice**

0 points

Modify

Remove

Question

When the price of armchairs increases, the:

- Answer**
- ☒ quantity supplied increases.
 - ☐ supply increases.
 - ☐ quantity supplied decreases.
 - ☐ supply decreases.

◀ [Add Question Here](#)

Question 63 **Multiple Choice**

0 points

Modify

Remove

Question

A decrease in supply means:

- Answer**
- ☒ a shift to the left of the entire supply curve.
 - ☐ a movement down the supply curve as prices go down.
 - ☐ that less will be demanded at every price.
 - ☐ that more will be supplied at every price.

◀ [Add Question Here](#)

Question 64 **Multiple Choice**

0 points

Modify

Remove

Question

The primary difference between a change in supply and a change in the quantity supplied is that:

- Answer**
- ☒ a change in quantity supplied is a movement along the supply curve, while a change in supply is a shift in the supply curve.
 - ☐ both a change in quantity supplied and a change in supply are movements along the supply curve, only in different directions.
 - ☐ a change in supply is related to the supply curve, while a change in quantity supplied is related to shifts in the demand curve that elicit a change in supply.
 - ☐ a change in supply is a movement along the supply curve, while a change in quantity supplied is a shift in the supply curve.

◀ [Add Question Here](#)

Question 65 **Multiple Choice**

0 points

Modify

Remove

Question

If the price of a commodity increases, you would expect the:

- Answer**
- supply to increase.
 - ✓ quantity supplied to increase.
 - quantity supplied to decrease.
 - supply curve to shift to the right.

◀ [Add Question Here](#)

Question 66

Multiple Choice

0 points

Modify

Remove

Question

In the market for tacos, each of the following shifts the supply curve to the left *except*:

- Answer**
- an increase in the price of beef.
 - an increase in the wages of taco shop workers.
 - fewer taco shops.
 - ✓ a decrease in the price of tacos.

◀ [Add Question Here](#)

Question 67

Multiple Choice

0 points

Modify

Remove

Question

In the local market for coffee, what would happen if Joyce's Java and Everyday Joe's coffee shops go out of business?

- Answer**
- The supply curve shifts to the right.
 - The demand curve shifts to the left.
 - ✓ The supply curve shifts to the left.
 - The demand curve shifts to the right.

◀ [Add Question Here](#)

Question 68

Multiple Choice

0 points

Modify

Remove

Question

Which of the following is *not* a determinant of supply?

- Answer**
- expectations regarding future prices
 - the technology of production
 - the cost of production
 - ✓ consumer tastes

◀ [Add Question Here](#)

Question 69

Multiple Choice

0 points

Modify

Remove

Question

Which of the following influences does *not* shift the supply curve?

- Answer**
- ✓ people deciding that they want to buy more of the product
 - a decrease in the price firms expect to receive in the future
 - a rise in the wages paid to workers
 - the development of a new production technology

◀ [Add Question Here](#)

Question 70

Multiple Choice

0 points

Modify

Remove

Question

Which of the following will *not* cause an increase in the supply of good X?

- Answer**
- an improvement in the technology used to produce good X
 - an increase in the price of good Y, a substitute
 - ✓ an increase in the price of inputs used to produce good X
 - a decrease in the price of inputs used to produce good X

◀ [Add Question Here](#)

Question 71 **Multiple Choice**

0 points

Modify

Remove

Question

Consider the supply curve for cotton shirts. An increase in the price of cotton will:

- Answer**
- increase the supply of cotton shirts.
 - ✓ decrease the supply of cotton shirts.
 - increase the quantity supplied of cotton shirts.
 - decrease the demand for cotton shirts.

◀ [Add Question Here](#)

Question 72 **Multiple Choice**

0 points

Modify

Remove

Question

Over the past few years, the technology associated with producing flat-panel televisions has improved. This has led to _____ in _____ flat-panel televisions.

- Answer**
- ✓ an increase; the supply of
 - an increase; the demand for
 - a decrease; the supply of
 - a decrease; the quantity supplied of

◀ [Add Question Here](#)

Question 73 **Multiple Choice**

0 points

Modify

Remove

Question

A technological advance in the production of automobiles will:

- Answer**
- increase the demand for automobiles.
 - ✓ increase the supply of automobiles.
 - decrease the demand for automobiles.
 - decrease the supply of automobiles.

◀ [Add Question Here](#)

Question 74 **Multiple Choice**

0 points

Modify

Remove

Question

An increase in supply of a good is caused by:

- Answer**
- input prices rising.
 - a fall in the price of the good.
 - ✓ an increase in the number of sellers.
 - expectations of future price increases.

◀ [Add Question Here](#)

Question 75 **Multiple Choice**

0 points

Modify

Remove

Question

An increase in supply is caused by:

- Answer**
- an increase in input prices.
 - suppliers' expectations of higher prices in the future.
 - an increase in the price of the good.
 - ✓ a decrease in the price of goods that are used in production.

◀ [Add Question Here](#)

Question 76

Multiple Choice

0 points

Modify

Remove

Question

A decrease in supply is caused by:

- Answer** ✓
- an increase in the price of goods that are used in production.
 - suppliers' expectations of lower prices in the future.
 - an advancement in the technology for producing the good.
 - an increase in the number of producers.

◀ [Add Question Here](#)

Question 77

Multiple Choice

0 points

Modify

Remove

Question

If the price of mozzarella cheese (an ingredient in pizza) declines, there would be:

- Answer**
- a decrease in the supply of pizza.
 - ✓ an increase in the supply of pizza.
 - an increase in the quantity of pizza supplied.
 - no change in the supply of pizza.

◀ [Add Question Here](#)

Question 78

Multiple Choice

0 points

Modify

Remove

Question

An increase in supply is caused by:

- Answer**
- an increase in input prices.
 - a decrease in the number of sellers in the market.
 - suppliers' expectations of higher prices in the future.
 - ✓ an advancement in the technology for producing the good.

◀ [Add Question Here](#)

Question 79

Multiple Choice

0 points

Modify

Remove

Question

A decrease in supply is caused by:

- Answer**
- a decrease in input prices.
 - an increase in the number of sellers in the market.
 - ✓ suppliers' expectations of higher prices in the future.
 - an advancement in the technology for producing the good.

◀ [Add Question Here](#)

Question 80

Multiple Choice

0 points

Modify

Remove

Question

Which of the following would *not* cause the supply curve to shift?

- Answer**
- a change in the technology of production
 - a change in factor costs
 - ✓ a change in the price of the good
 - a change in suppliers' expectations of future prices

◀ [Add Question Here](#)

Question 81 **Multiple Choice**

0 points

Modify

Remove

Question

A shift to the left of a supply curve is caused by:

- Answer**
- an increase in the number of sellers.
 - a technological improvement in production.
 - ✓ an increase in the cost of an input.
 - an increase in the number of buyers.

◀ [Add Question Here](#)

Question 82 **Multiple Choice**

0 points

Modify

Remove

Question

Which of the following is most likely to shift the supply of milk to the right?

- Answer**
- a tax on each gallon of milk produced
 - an increase in household income and milk is a normal good
 - ✓ a decrease in the price of feed given to dairy cows
 - the bankruptcy of many small dairy farms

◀ [Add Question Here](#)

Question 83 **Multiple Choice**

0 points

Modify

Remove

Question

In the market for wheat, what would happen if the price of ethanol (which is made from corn) increases dramatically?

- Answer**
- an increase in supply of wheat
 - ✓ a decrease in supply of wheat
 - an increase in demand for wheat
 - a decrease in demand for wheat

◀ [Add Question Here](#)

Question 84 **Multiple Choice**

0 points

Modify

Remove

Question

Which of the following will *not* cause an increase in the supply of cornflakes in the short run?

- Answer**
- ✓ an increase in the price of cornflakes
 - a cost-saving improvement in the technology of corn production
 - a reduction in the price of corn
 - the expectation by producers that the price of cornflakes will fall in the future

◀ [Add Question Here](#)

Question 85 **Multiple Choice**

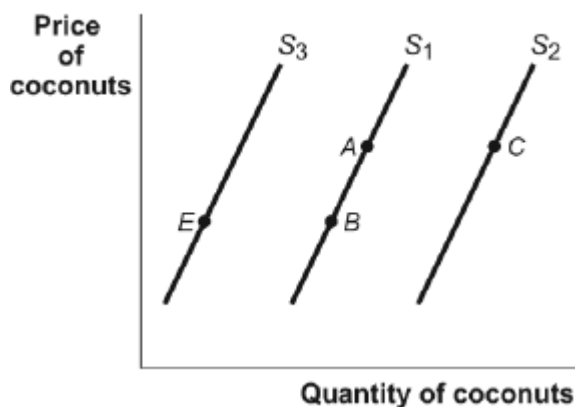
0 points

Modify

Remove

Question

Figure: Supply of Coconuts



Reference: Ref 3-4

(Figure: Supply of Coconuts) Look at the figure Supply of Coconuts. If the price of coconuts decreased, it would be represented in the figure as a movement from:

Answer

- ✓ A to B
- B to A
- C to A
- E to B

[Add Question Here](#)

Question 86

Multiple Choice

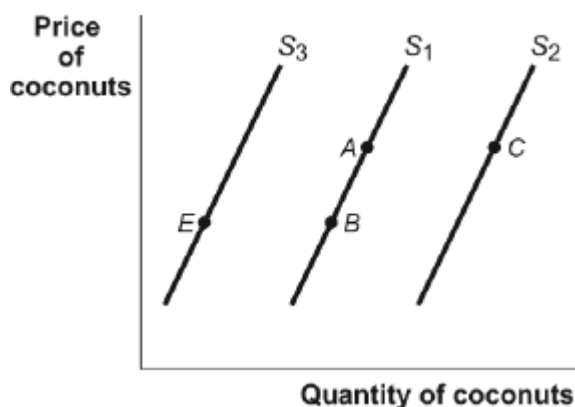
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Modify

Remove

Question

Figure: Supply of Coconuts



Reference: Ref 3-4

(Figure: Supply of Coconuts) Look at the figure Supply of Coconuts. If the prices of inputs (e.g., labor, fertilizer, and fuel) used to produce and transport coconuts increased, it would be represented in the figure as a movement from:

Answer

- A to B
- B to A
- ✓ C to A
- E to B

[Add Question Here](#)

Question 87

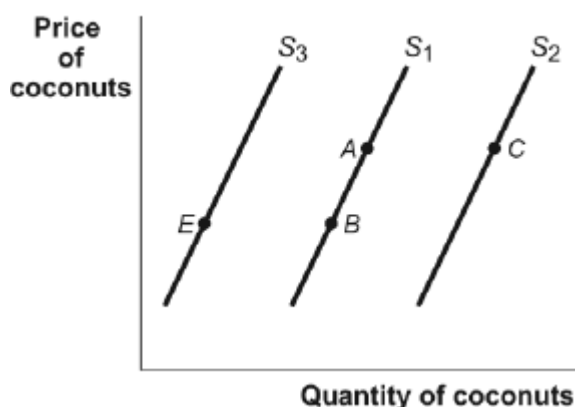
Multiple Choice

0 points

Modify

Remove

Question
Figure: Supply of Coconuts



Reference: Ref 3-4

(Figure: Supply of Coconuts) Look at the figure Supply of Coconuts. If the prices of inputs (e.g., labor, fertilizer, and fuel) used to produce and transport coconuts decreased, it would be represented in the figure as a movement from:

- Answer**
- A to B.*
 - B to A.*
 - C to A.*
 - ✓ *E to B.*

◀ [Add Question Here](#)

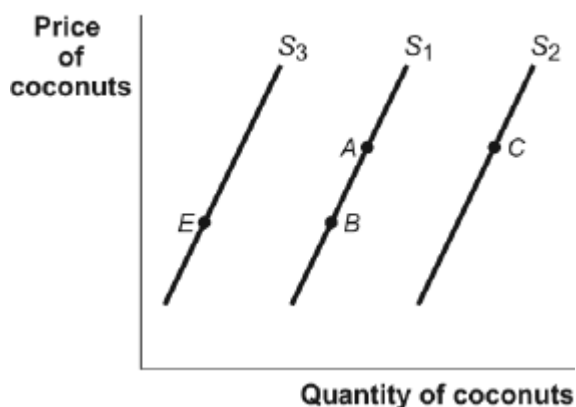
Question 88

Multiple Choice

0 points

Modify
Remove

Question
Figure: Supply of Coconuts



Reference: Ref 3-4

(Figure: Supply of Coconuts) Look at the figure Supply of Coconuts. An improvement in the technology used to harvest coconuts (e.g., a faster, less expensive coconut picker) would be represented in the figure as a movement from:

- Answer**
- ✓ *A to C.*
 - B to A.*
 - C to A.*
 - B to E.*

[◀ Add Question Here](#)

Question 89

Multiple Choice

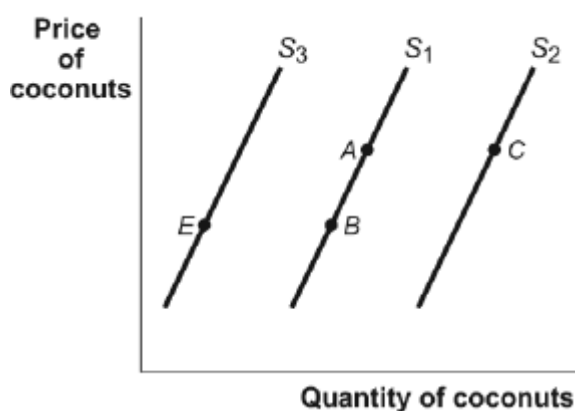
0 points

Modify

Remove

Question

Figure: Supply of Coconuts



Reference: Ref 3-4

(Figure: Supply of Coconuts) Look at the figure Supply of Coconuts. An expectation on the part of coconut suppliers that the price of coconuts will be significantly higher in the very near future would be represented in the figure as a movement from

Answer

*A to B.**B to A.**A to C.*✓ *B to E.*[◀ Add Question Here](#)

Question 90

Multiple Choice

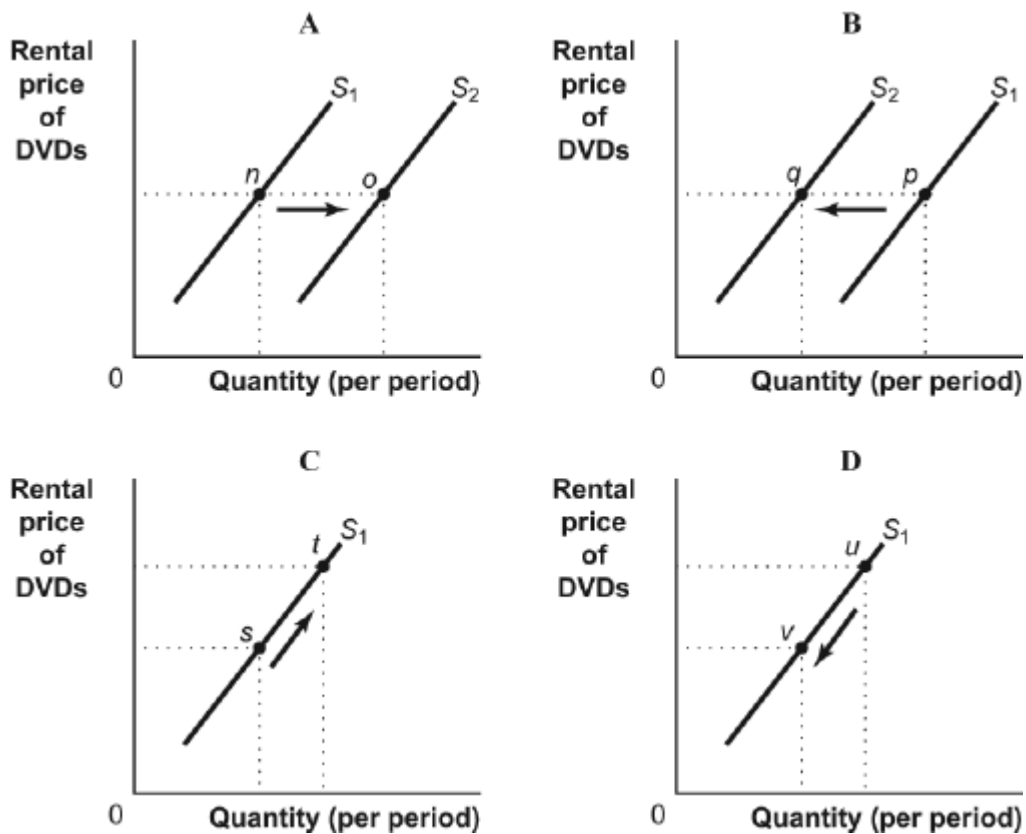
0 points

Modify

Remove

Question

Figure: The Supply of DVD Rentals



Reference: Ref 3-5

(Figure: The Supply of DVD Rentals) Look at the figure The Supply of DVD Rentals. A decrease in the price of DVD rentals would result in a change illustrated by the move from:

Answer

- n to o in panel A.
- p to q in panel B.
- s to t in panel C.
- ✓ u to v in panel D.

[Add Question Here](#)

Question 91

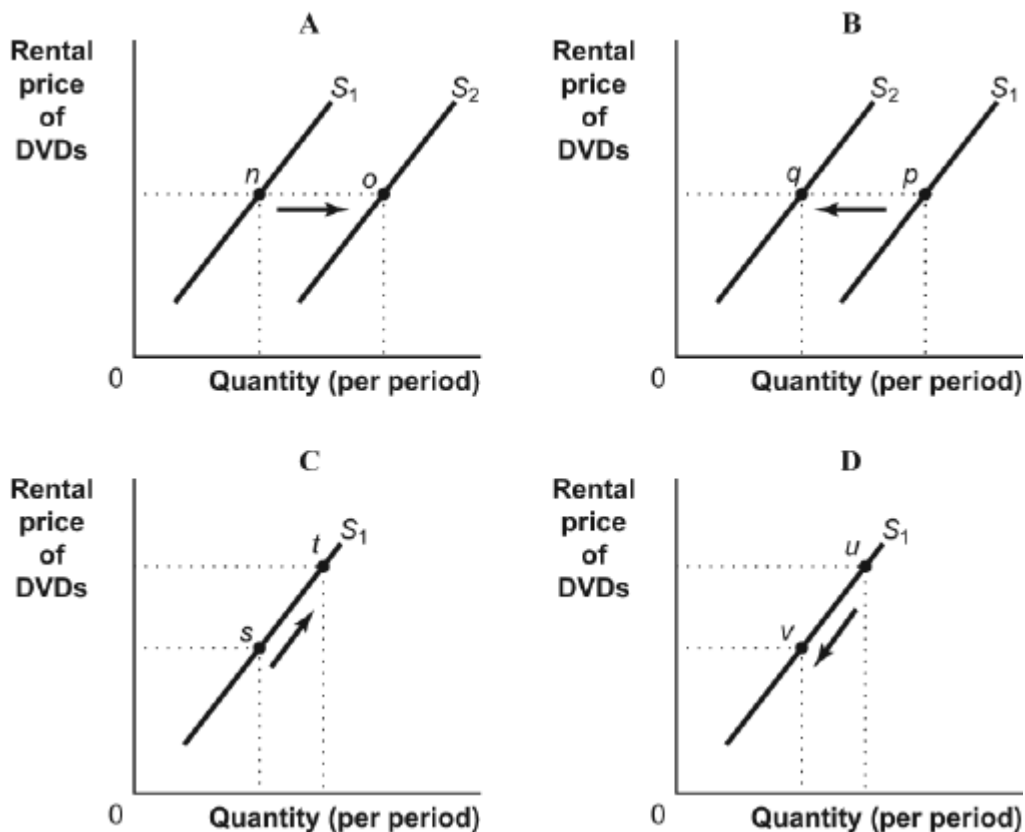
Multiple Choice

0 points

Modify
Remove

Question

Figure: The Supply of DVD Rentals



Reference: Ref 3-5

(Figure: The Supply of DVD Rentals) Look at the figure The Supply of DVD Rentals. A decrease in the price of DVDs sold by movie producers to rental stores would result in a change illustrated by the move from:

- Answer**
- ✓ *n* to *o* in panel A.
 - p* to *q* in panel B.
 - s* to *t* in panel C.
 - u* to *v* in panel D.

[Add Question Here](#)

Question 92

Multiple Choice

0 points

Modify
Remove

Question

Table: Supply of Lemonade

Price of lemonade (per cup)	Number of Cups of Lemonade Supplied (per day)		
	Eric	Molly	Eli
\$0.50	0	5	10
0.75	10	15	25
1.00	25	25	40
1.25	40	35	55
1.50	60	45	70

Reference: Ref 3-6

(Table: Supply of Lemonade) Look at the table Supply of Lemonade. When the price of lemonade is \$1 per cup, the quantity of lemonade supplied by Eli will be:

Answer

- ✓ 40 cups.
- 90 cups.
- 10 cups.
- 25 cups.

[◀ Add Question Here](#)

Question 93

Multiple Choice**0 points**

Modify

Remove

Question**Table: Supply of Lemonade**

Price of lemonade (per cup)	Number of Cups of Lemonade Supplied (per day)		
	Eric	Molly	Eli
\$0.50	0	5	10
0.75	10	15	25
1.00	25	25	40
1.25	40	35	55
1.50	60	45	70

Reference: Ref 3-6

(Table: Supply of Lemonade) Look at the table Supply of Lemonade. If the price of lemonade is \$1 per cup, the total quantity of lemonade supplied will be:

Answer

- 50 cups.
- 80 cups.
- 25 cups.
- ✓ 90 cups.

[◀ Add Question Here](#)

Question 94

Multiple Choice**0 points**

Modify

Remove

Question

If the market for buffalo meat is in equilibrium, the price of buffalo meat will probably _____ in the near future.

Answer

- increase
- ✓ not change
- decrease
- increase considerably

[◀ Add Question Here](#)

Question 95

Multiple Choice**0 points**

Modify

Remove

Question

Market equilibrium occurs when:

Answer

- there is no incentive for prices to change in the market.
- quantity demanded equals quantity supplied.
- the market clears.
- ✓ there is no incentive for prices to change in the market, quantity demanded equals quantity supplied, and the market clears.

[◀ Add Question Here](#)

Question 96

Multiple Choice

0 points

Modify

Remove

Question

The market equilibrium is found at the:

- Answer**
- price where quantity demanded exceeds quantity supplied.
 - ✓ price where quantity demanded equals quantity supplied.
 - price where quantity supplied exceeds quantity demanded.
 - highest price the market will bear.

[◀ Add Question Here](#)

Question 97

Multiple Choice

0 points

Modify

Remove

Question

Suppose the equilibrium price of good Y is \$5 and the equilibrium quantity is 150 units. If the price of good Y is \$12:

- Answer**
- the quantity demanded will be greater than 150 units.
 - the quantity supplied will be less than 150 units.
 - there will be an excess demand for good Y.
 - ✓ there will be an excess supply of good Y.

[◀ Add Question Here](#)

Question 98

Multiple Choice

0 points

Modify

Remove

Question

Excess supply occurs when:

- Answer**
- ✓ the price is above the equilibrium price.
 - the quantity demanded exceeds the quantity supplied.
 - the price is below the equilibrium price.
 - the quantity demanded exceeds the quantity supplied and when the price is below the equilibrium price.

[◀ Add Question Here](#)

Question 99

Multiple Choice

0 points

Modify

Remove

Question

If the quantity supplied in a market exceeds the quantity demanded in a market, we would expect prices to:

- Answer**
- stay the same.
 - rise.
 - ✓ fall.
 - rise in order to clear the market.

[◀ Add Question Here](#)

Question 100

Multiple Choice

0 points

Modify

Remove

Question

If the quantity of housing supplied in a community is greater than the quantity of houses demanded, the existing price:

- Answer**
- ✓ is above the market equilibrium price.
 - will rise to clear the market.
 - will either rise or remain unchanged.
 - is below the market equilibrium price.

[◀ Add Question Here](#)

Question 101 Multiple Choice

0 points

Modify

Remove

Question

If the supply and demand curves intersect at a price of \$47, then any price above that would result in:

Answer

- ☐ a shortage.
- ☒ a surplus.
- ☐ equilibrium.
- ☐ an increase in demand.

[◀ Add Question Here](#)

Question 102 Multiple Choice

0 points

Modify

Remove

Question

If the supply and demand curves intersect at a price of \$14, then any price below that would result in:

Answer

- ☒ a shortage.
- ☐ a surplus.
- ☐ equilibrium.
- ☐ an increase in demand.

[◀ Add Question Here](#)

Question 103 Multiple Choice

0 points

Modify

Remove

Question

Suppose the equilibrium price of good X is \$25 and the equilibrium quantity is 124 units. If the price of good X is \$2:

Answer

- ☒ there will be excess demand for good X.
- ☐ there will be an excess supply of good X.
- ☐ the market will clear.
- ☐ the quantity demanded of good X will be less than 124 units.

[◀ Add Question Here](#)

Question 104 Multiple Choice

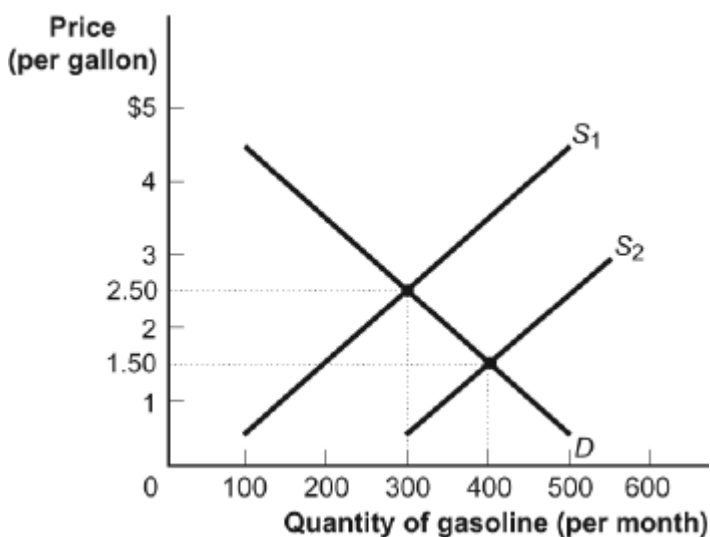
0 points

Modify

Remove

Question

Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. The initial equilibrium price and quantity (at intersection of S_1 and D) of gasoline are:

- Answer**
- \$2.00 and 450 gallons.
 - \$1.50 and 400 gallons.
 - \$2.00 and 200 gallons.
 - ✓ \$2.50 and 300 gallons.

[Add Question Here](#)

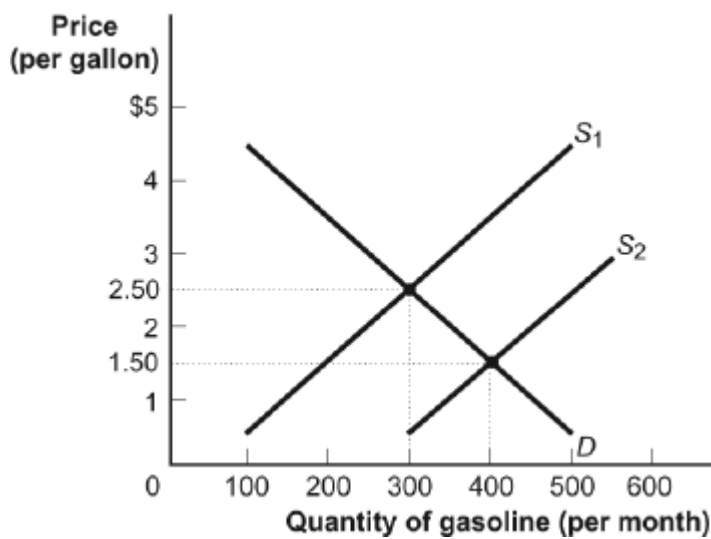
Question 105 Multiple Choice

0 points

Modify

Remove

Question
Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. A factor that may have changed supply from S_1 to S_2 is:

- Answer** ✓
- better technology in the production of gasoline.
 - increased demand.
 - lower labor productivity in gasoline production.
 - increased prices of substitutes for gasoline.

[Add Question Here](#)

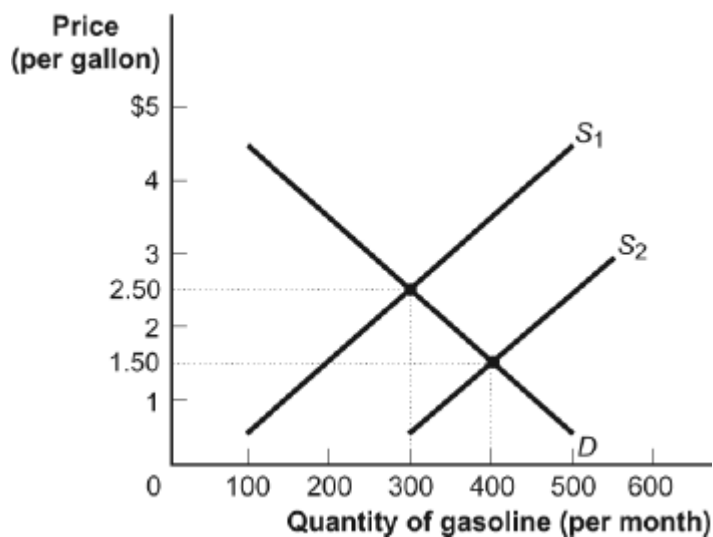
Question 106 Multiple Choice

0 points

Modify

Remove

Question
Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. Given the equilibrium after a change in supply from S_1 to S_2 :

Answer ✓ at the old price of \$2.50, there will be pressure for the price to fall.
 the new price will be \$2.00.
 the new quantity will be 600.
 the price will remain constant.

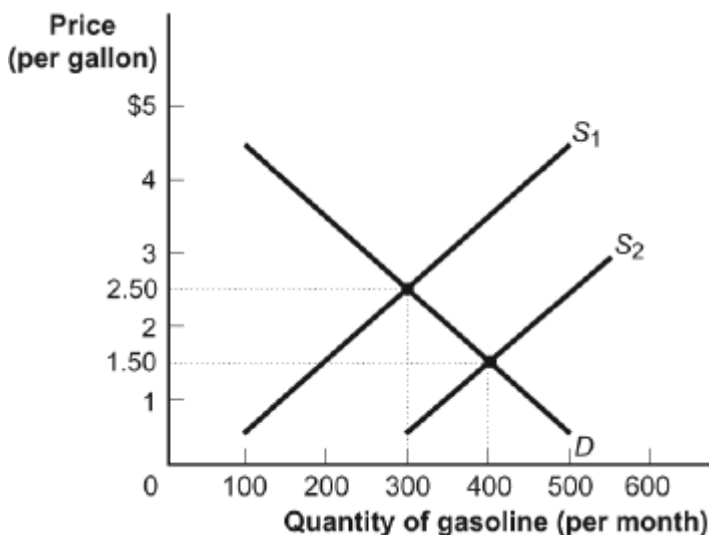
[Add Question Here](#)

Question 107 Multiple Choice

0 points

Modify
Remove

Question
Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. Given the initial equilibrium of S_1 and D , any price lower than _____ will create pressure for the price to _____.

Answer \$2.00; fall
 ✓ \$2.50; rise

\$3.00; rise

\$2.50; fall

[Add Question Here](#)

Question 108 Multiple Choice

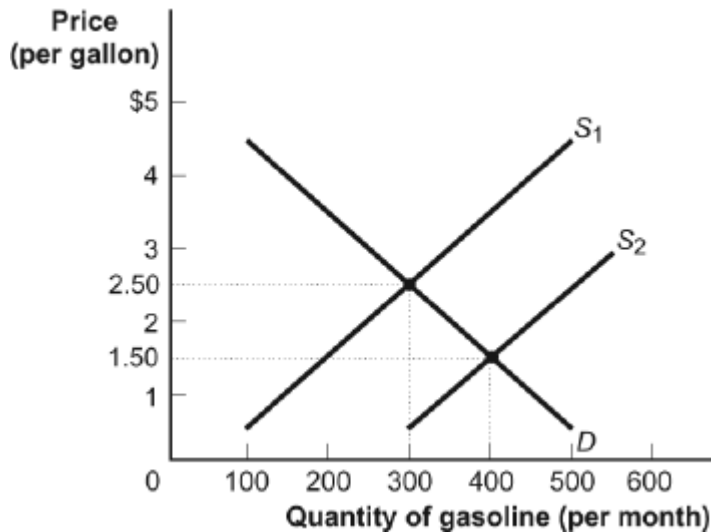
0 points

Modify

Remove

Question

Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. When the supply curve shifted from the initial equilibrium, the new intersection of supply and demand has a price of _____ and quantity of 400. This supply shift could have resulted from _____.

Answer

- \$1.50; an increase in consumers' income
- ✓ \$1.50; an increase in refining technology
- \$2.00; an increase in the number of buyers
- \$2.00; an increase in consumers' income

[Add Question Here](#)

Question 109 Multiple Choice

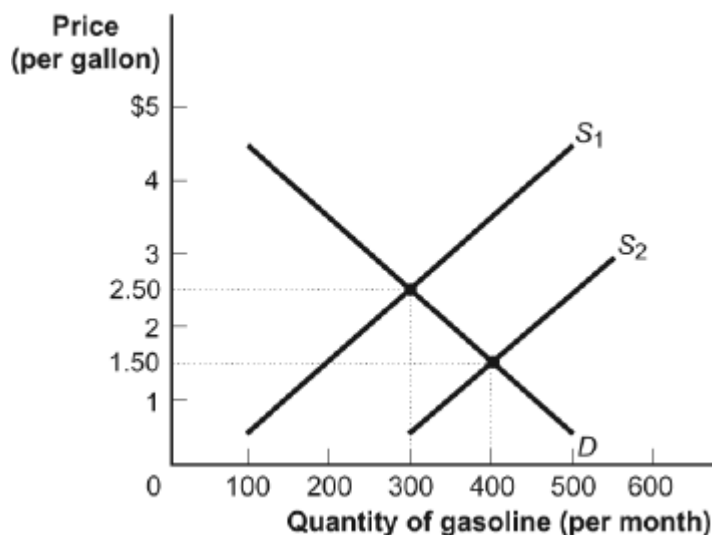
0 points

Modify

Remove

Question

Figure: Demand and Supply of Gasoline



Reference: Ref 3-7

(Figure: Demand and Supply of Gasoline) Look at the figure Demand and Supply of Gasoline. What might cause the supply curve to shift from S_2 back to the initial supply curve S_1 ?

- Answer** ✓ The Organization of Petroleum Exporting Countries (OPEC) restricts the production of crude oil.
 The Organization of Petroleum Exporting Countries (OPEC) increases the production of crude oil.
 Americans want to buy more gas.
 Technology in the refinement of gasoline greatly improves.

[◀ Add Question Here](#)
Question 110 **Multiple Choice****0 points**

Modify

Remove

Question

A competitive market with flexible prices and many buyers and sellers will:

- Answer** eliminate surpluses.
 eliminate shortages.
 reach equilibrium.
 ✓ eliminate surpluses and shortages and reach equilibrium.

[◀ Add Question Here](#)
Question 111 **Multiple Choice****0 points**

Modify

Remove

Question**Table: The Market for Chocolate-Covered Peanuts**

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. If the price of chocolate-covered peanuts is \$0.60, the price will:

- Answer**
- ✓ not change.
 - fall to \$0.30.
 - fall to \$0.50.
 - rise to \$0.70.

[◀ Add Question Here](#)
Question 112 **Multiple Choice****0 points**

Modify

Remove

Question**Table: The Market for Chocolate-Covered Peanuts**

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. The equilibrium quantity and the equilibrium price are _____ bags and _____.

- Answer**
- 140; \$0.40
 - ✓ 175; \$0.60
 - 175; \$0.80
 - 210; \$0.50

[◀ Add Question Here](#)
Question 113 **Multiple Choice****0 points**

Modify

Remove

Question**Table: The Market for Chocolate-Covered Peanuts**

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. If the price of chocolate-covered peanuts is \$0.80, there is:

- Answer** ✓ a surplus of 140 bags per month.
 a shortage of 140 bags per month.
 a surplus of 70 bags per month.
 a shortage of 70 bags per month.

◀ [Add Question Here](#)

Question 114 **Multiple Choice**

0 points

Modify

Remove

Question

Table: The Market for Chocolate-Covered Peanuts

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. A surplus of 210 bags of chocolate-covered peanuts exists if the price is _____ per bag.

- Answer** ✓ \$0.90
 \$0.80
 \$0.60
 \$0.40

◀ [Add Question Here](#)

Question 115 **Multiple Choice**

0 points

Modify

Remove

Question

Table: The Market for Chocolate-Covered Peanuts

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. If the price of chocolate-covered peanuts is \$0.50, there is:

- Answer**
- a surplus of 35 bags per month.
 - a shortage of 35 bags per month.
 - a surplus of 70 bags per month.
 - ✓ a shortage of 70 bags per month.

◀ [Add Question Here](#)

Question 116 **Multiple Choice**

0 points

Modify

Remove

Question

Table: The Market for Chocolate-Covered Peanuts

Price (per bag)	Quantity Demanded (bags per month)	Quantity Supplied (bags per month)
\$0.90	70	280
0.80	105	245
0.70	140	210
0.60	175	175
0.50	210	140
0.40	245	105
0.30	280	70

Reference: Ref 3-8

(Table: The Market for Chocolate-Covered Peanuts) Look at the table The Market for Chocolate-Covered Peanuts. A shortage of 210 bags of chocolate-covered peanuts exists if the price is _____ per bag.

- Answer**
- \$0.80
 - \$0.60
 - \$0.40
 - ✓ \$0.30

◀ [Add Question Here](#)

Question 117 **Multiple Choice**

0 points

Modify

Remove

Question

What is the difference between a shortage and scarcity?

- Answer** ✓ Scarcity will almost always exist, but a shortage will exist only if the price is kept below the equilibrium level.
- Scarcity is a result of two or more alternative uses, and quantities of supply and demand adjusting to flexible prices will create shortages.
- A shortage will exist when a good is scarce.
- There is no distinction between the two. They are the same thing.

◀ [Add Question Here](#)

Question 118 **Multiple Choice**

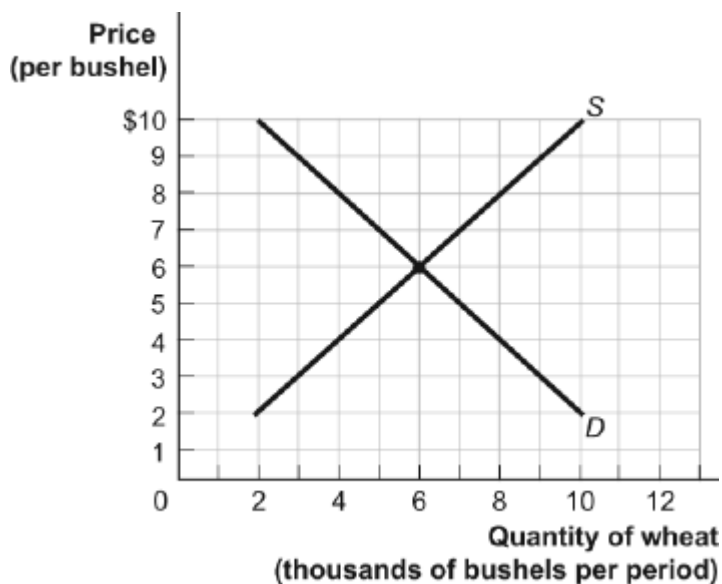
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Modify

Remove

Question

Figure: The Demand and Supply of Wheat



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. What is the equilibrium price in this wheat market?

Answer

✓ \$6

\$4

\$2

\$8

[Add Question Here](#)

Question 119 Multiple Choice

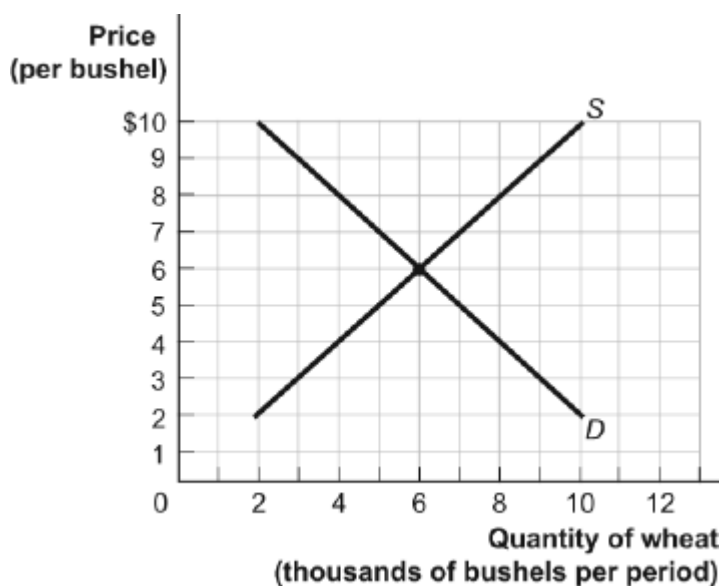
0 points

Modify

Remove

Question

Figure: The Demand and Supply of Wheat



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. If a price of \$10 temporarily exists in this market:

Answer

a shortage of 10,000 bushels will result.

a shortage of 8,000 bushels will result.

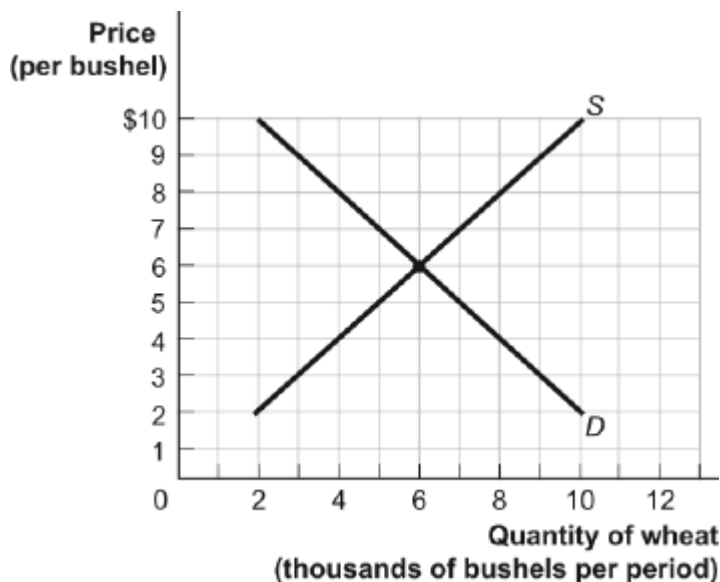
✓ a surplus of 8,000 bushels will result.

a surplus of 4,000 bushels will result.

[◀ Add Question Here](#)Question 120 **Multiple Choice****0 points**

Modify

Remove

Question**Figure: The Demand and Supply of Wheat**

Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. A price of _____ will result in a _____.

Answer

\$6; shortage

✓ \$8; surplus

\$8; shortage

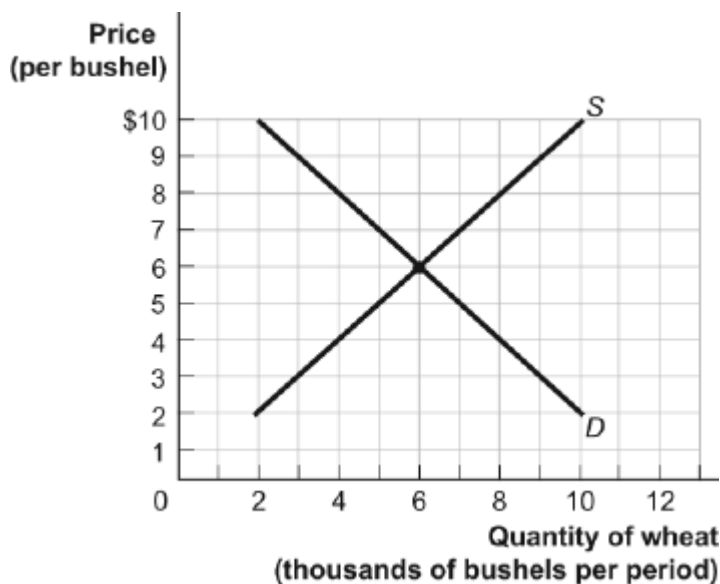
\$4; surplus

[◀ Add Question Here](#)Question 121 **Multiple Choice****0 points**

Modify

Remove

Question**Figure: The Demand and Supply of Wheat**



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. If there were an increase in demand of 2,000 bushels at each price, the equilibrium price and quantity would be _____ and _____ bushels, respectively.

- Answer**
- \$5; 5,000
 - \$6; 7,000
 - ✓ \$7; 7,000
 - \$8; 8,000

[Add Question Here](#)

Question 122 **Multiple Choice**

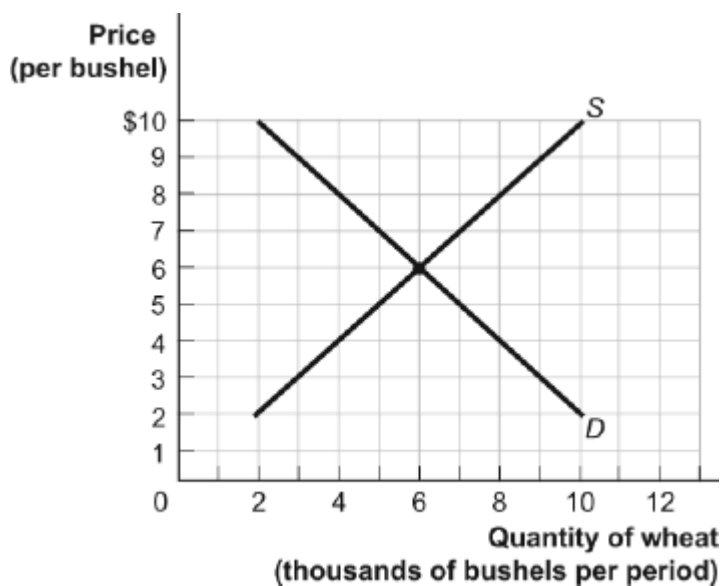
0 points

Modify

Remove

Question

Figure: The Demand and Supply of Wheat



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. If there were a decrease in supply of 2,000 bushels at each price, the equilibrium price and quantity would be _____ and _____ bushels, respectively.

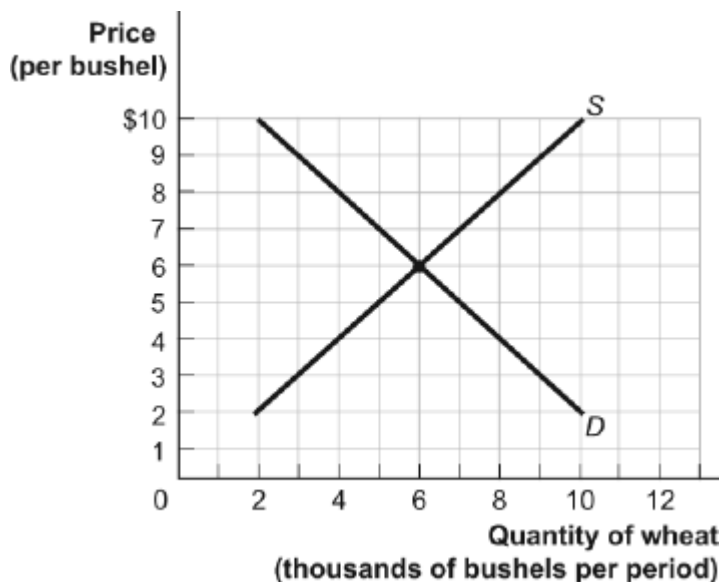
Answer

- \$5; 5,000
- ✓ \$7; 5,000
- \$6; 4,000
- \$8; 6,000

[◀ Add Question Here](#)Question 123 **Multiple Choice****0 points**

Modify

Remove

Question**Figure: The Demand and Supply of Wheat**

Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. A temporary price of \$2 in this market would result in:

Answer

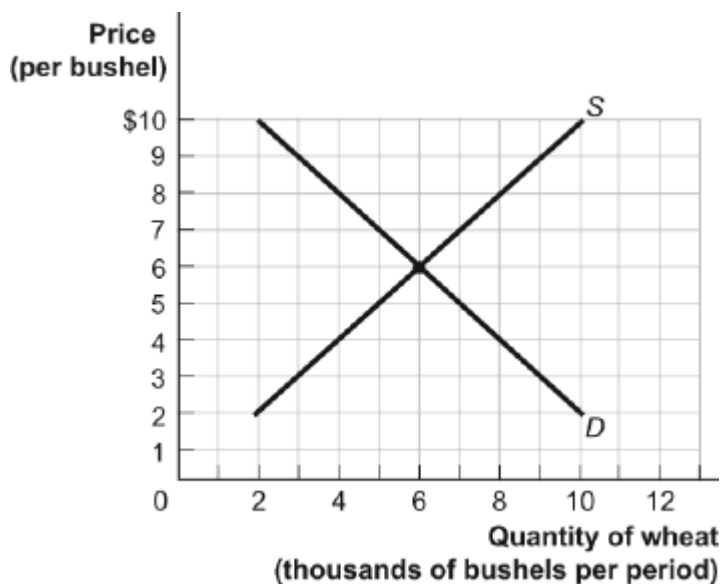
- a surplus of 4,000 bushels.
- ✓ a shortage of 8,000 bushels.
- a shortage of 10,000 bushels.
- a surplus of 10,000 bushels.

[◀ Add Question Here](#)Question 124 **Multiple Choice****0 points**

Modify

Remove

Question**Figure: The Demand and Supply of Wheat**



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. What is the equilibrium quantity in this wheat market?

- Answer**
- 12,000 bushels
 - 2,000 bushels
 - 10,000 bushels
 - ✓ 6,000 bushels

[Add Question Here](#)

Question 125 **Multiple Choice**

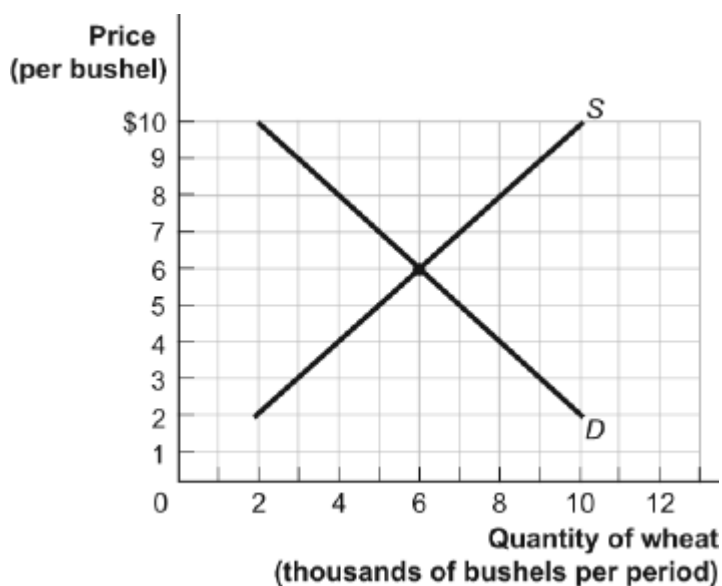
0 points

Modify

Remove

Question

Figure: The Demand and Supply of Wheat



Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. If a price of \$8 temporarily exists in this market:

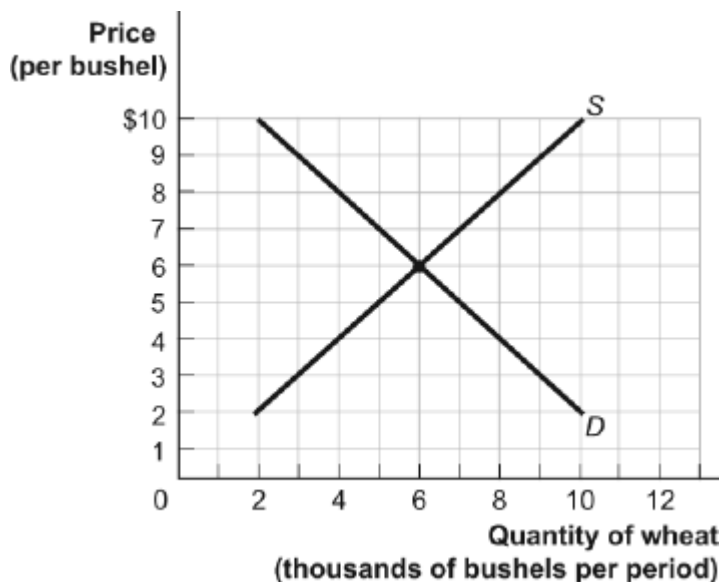
Answer

- a shortage of 2,000 bushels will result.
- ✓ a surplus of 4,000 bushels will result.
- a shortage of 4,000 bushels will result.
- a surplus of 6,000 bushels will result.

[◀ Add Question Here](#)
Question 126 **Multiple Choice****0 points**

Modify

Remove

Question**Figure: The Demand and Supply of Wheat**

Reference: Ref 3-9

(Figure: The Demand and Supply of Wheat) Look at the figure The Demand and Supply of Wheat. A temporary price of \$4 in this market would result in:

Answer

- a surplus of 4,000 bushels.
- a shortage of 2,000 bushels.
- ✓ a shortage of 4,000 bushels.
- a surplus of 2,000 bushels.

[◀ Add Question Here](#)
Question 127 **Multiple Choice****0 points**

Modify

Remove

Question**Table: The Lemonade Market**

Price of Lemonade (per cup)	Number of Cups Demanded (Qd)	Number of Cups Supplied (Qs)
\$0.50	250	25
0.75	200	50
1.00	150	75
1.25	100	100
1.50	50	125
1.75	20	150

Reference: Ref 3-10

(Table: The Lemonade Market) Look at the table The Lemonade Market. If the price of a cup of lemonade is \$1.00, there will be _____ in the market.

- Answer**
- equilibrium
 - a shortage of 150 cups
 - ✓ a shortage of 75 cups
 - a surplus of 75 cups

◀ [Add Question Here](#)

Question 128 **Multiple Choice**

0 points

Modify

Remove

Question

Table: The Lemonade Market

Price of Lemonade (per cup)	Number of Cups Demanded (Qd)	Number of Cups Supplied (Qs)
\$0.50	250	25
0.75	200	50
1.00	150	75
1.25	100	100
1.50	50	125
1.75	20	150

Reference: Ref 3-10

(Table: The Lemonade Market) Look at the table The Lemonade Market. If the price of lemonade is \$1.25 per cup, we would expect to see:

- Answer**
- a rising price to eliminate the shortage.
 - a rising price to eliminate the surplus.
 - a falling price to eliminate the shortage.
 - ✓ a market in equilibrium.

◀ [Add Question Here](#)

Question 129 **Multiple Choice**

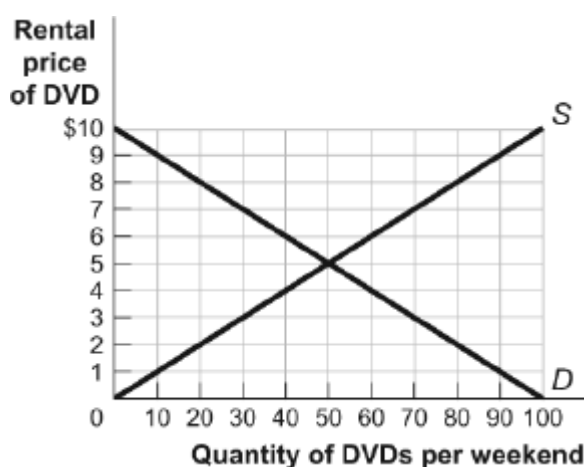
0 points

Modify

Remove

Question

Figure: The DVD Rental Market



Reference: Ref 3-11

(Figure: The DVD Rental Market) Look at the figure The DVD Rental Market. The figure shows the weekend rental market for DVDs in Collegetown. The equilibrium price for

DVD rentals is _____ and the equilibrium quantity is _____.

Answer

- ✓ \$5; 50
- \$3; 30
- \$9; 90
- \$6; 40

◀ [Add Question Here](#)

Question 130 **Multiple Choice**

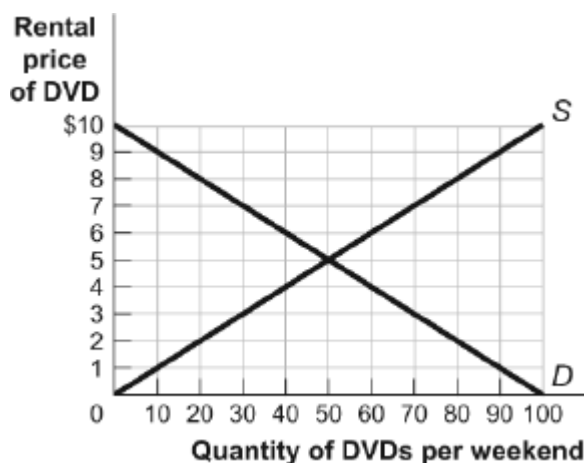
0 points

Modify

Remove

Question

Figure: The DVD Rental Market



Reference: Ref 3-11

(Figure: The DVD Rental Market) Look at the figure The DVD Rental Market. If the rental price of DVDs rises from \$5 per rental to \$7 per rental, then:

Answer

- demand will decrease from 50 to 30 rentals per weekend.
- ✓ the quantity demanded will decrease from 50 rentals per weekend to 30 rentals per weekend.
- supply will increase from 50 to 70 rentals per weekend.
- the quantity supplied will increase from 50 to 60 rentals per weekend.

◀ [Add Question Here](#)

Question 131 **Multiple Choice**

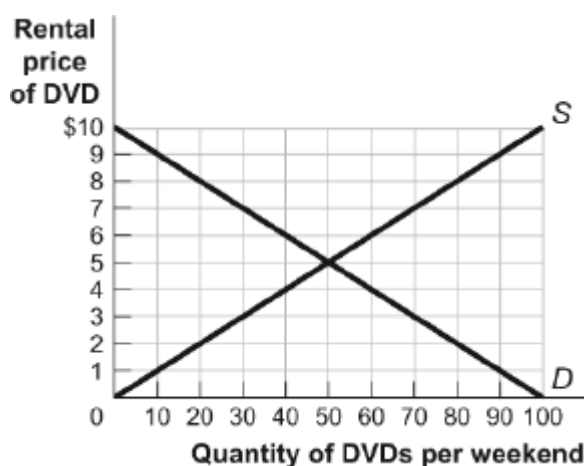
0 points

Modify

Remove

Question

Figure: The DVD Rental Market



Reference: Ref 3-11

(Figure: The DVD Rental Market) Look at the figure The DVD Rental Market. At a rental price of \$3, there will be

- Answer**
- equilibrium in the rental market for DVDs.
 - an increase in demand.
 - an excess supply of 40 DVD rentals.
 - ✓ an excess demand of 40 DVD rentals.

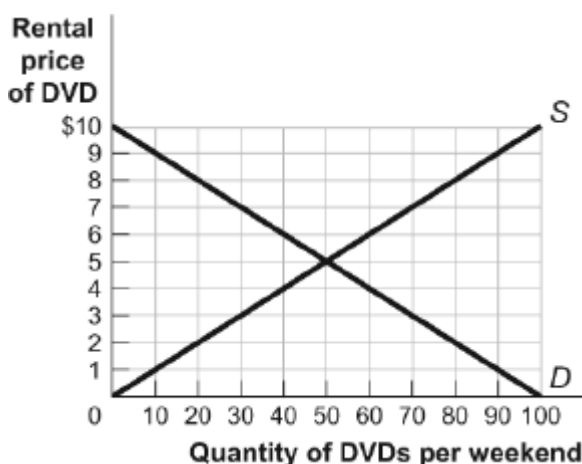
[Add Question Here](#)

Question 132 Multiple Choice

0 points

Modify

Remove

Question**Figure: The DVD Rental Market**

Reference: Ref 3-11

(Figure: The DVD Rental Market) Look at the figure The DVD Rental Market. At a rental price of \$6, there will be:

- Answer**
- equilibrium in the rental market for DVDs.
 - a decrease in demand.
 - ✓ an excess supply of 20 DVD rentals.
 - an excess demand of 20 DVD rentals.

[Add Question Here](#)

Question 133 Multiple Choice

0 points

Modify

Remove

QuestionWhich of the following *always* results in an increase in price and quantity?

- Answer**
- an increase in supply and a decrease in demand
 - ✓ an increase in demand with no change in supply
 - an increase in supply with no change in demand
 - a decrease in demand and supply

[Add Question Here](#)

Question 134 Multiple Choice

0 points

Modify

Remove

Question

The market price of airline flights increased recently. Some economists suggest that the price increased because there has been an increase in the number of business travelers.

They believe that in the market for flights:

- Answer**
- supply increased.
 - supply decreased.
 - ✓ demand increased.
 - demand decreased.

◀ [Add Question Here](#)

Question 135 **Multiple Choice**

0 points

Modify

Remove

Question

If tortilla chips are a normal good, what happens to equilibrium price and quantity when there is an increase in income?

- Answer**
- Equilibrium price decreases and equilibrium quantity increases.
 - Equilibrium price decreases and equilibrium quantity decreases.
 - ✓ Equilibrium price increases and equilibrium quantity increases.
 - Equilibrium price increases and equilibrium quantity decreases.

◀ [Add Question Here](#)

Question 136 **Multiple Choice**

0 points

Modify

Remove

Question

In the market for tacos, you observe that the equilibrium price and quantity have increased. This can be caused only by:

- Answer**
- an increase in the price of beef.
 - an increase in the wages of taco shop workers.
 - fewer taco shops.
 - ✓ an increase in the incomes of people who eat tacos.

◀ [Add Question Here](#)

Question 137 **Multiple Choice**

0 points

Modify

Remove

Question

Suppose you manage a corner grocery store. If peanut butter is an inferior good, what do you suppose would happen to the price and quantity sold of peanut butter as incomes fall during an economic recession?

- Answer**
- The price would increase and the quantity would decrease.
 - ✓ The price and quantity would both increase.
 - The price and quantity would both decrease.
 - The price would decrease and the quantity would increase.

◀ [Add Question Here](#)

Question 138 **Multiple Choice**

0 points

Modify

Remove

Question

A newspaper story recently reported that the price of new cars has decreased and the quantity of new cars sold has dropped. The new price and quantity could have been caused by:

- Answer**
- ✓ a decrease in buyers' incomes.
 - an increase in buyers' incomes.
 - an increase in production costs.
 - a decrease in production costs.

◀ [Add Question Here](#)

Question 139 Multiple Choice

0 points

Modify

Remove

Question

A shift of a demand curve to the right, all other things unchanged, will:

- Answer** ✓ increase equilibrium price and quantity.
decrease equilibrium price and quantity.
decrease equilibrium quantity and increase equilibrium price.
increase equilibrium quantity and decrease equilibrium price.

[◀ Add Question Here](#)

Question 140 Multiple Choice

0 points

Modify

Remove

Question

For consumers, pizza and hamburgers are substitutes. A rise in the price of a pizza causes _____ in the equilibrium price of a hamburger and _____ in the equilibrium quantity of hamburgers.

- Answer** ✓ a rise; an increase
a rise; a decrease
a fall; an increase
a fall; a decrease

[◀ Add Question Here](#)

Question 141 Multiple Choice

0 points

Modify

Remove

Question

If the economy booms and peoples' incomes rise, then the demand curve for a normal good like new houses will _____ and the equilibrium quantity of new houses produced will _____.

- Answer** ✓ shift to the right; increase
not shift; not change
not shift; increase
shift to the left; decrease

[◀ Add Question Here](#)

Question 142 Multiple Choice

0 points

Modify

Remove

Question

A new wonder diet that results in a dramatic weight loss sweeps through America. The key to the diet is to eat unlimited amounts of red meat (beef) but no poultry or carbohydrate-rich foods. As millions of Americans switch to the new diet, we can expect:

- Answer** ✓ an increase in the demand for beef, leading to a shift to the right in the demand curve for beef and higher beef prices.
an increase in the demand for beef, leading to a shift to the right in the demand curve for beef and lower beef prices.
a decrease in the supply of beef, leading to a shift to the left in the supply curve for beef and higher beef prices.
a decrease in the demand for beef, leading to a shift to the left in the demand curve for beef and higher beef prices.

[◀ Add Question Here](#)

Question 143 Multiple Choice

0 points

Modify

Remove

Question

A new wonder diet that results in a dramatic weight loss sweeps through America. The key to the diet is to eat unlimited amounts of red meat (beef) but no poultry or carbohydrate-rich foods. As millions of Americans switch to the new diet, we can expect:

Answer

- a decrease in the supply of poultry, leading to a shift to the left in the supply curve for poultry and higher poultry prices.
- an increase in the supply of poultry, leading to a shift to the right in the supply curve for poultry and higher poultry prices.
- a decrease in the demand for poultry, leading to a shift to the right in the demand curve for poultry and lower beef prices.
- ✓ a decrease in the demand for poultry, leading to a shift to the left in the demand curve for poultry and lower poultry prices.

◀ [Add Question Here](#)

Question 144 **Multiple Choice**

0 points

Modify

Remove

Question

Consider two competing motorcycle manufacturers, Harley-Davidson and Honda. If Harley-Davidson raises the price of its motorcycles, we can expect:

Answer

- a shift to the right in the supply curve of Hondas and lower prices for Hondas.
- a shift to the left in the supply curve of Hondas and higher prices for Hondas.
- ✓ a shift to the right in the demand curve for Hondas and higher prices for Hondas.
- a shift to the left in the demand curve for Hondas and lower prices for Hondas.

◀ [Add Question Here](#)

Question 145 **Multiple Choice**

0 points

Modify

Remove

Question

An increase in demand with no change in supply will lead to _____ in equilibrium quantity and _____ in equilibrium price.

Answer

- ✓ an increase; an increase
- an increase; a decrease
- a decrease; an increase
- a decrease; a decrease

◀ [Add Question Here](#)

Question 146 **Multiple Choice**

0 points

Modify

Remove

Question

French fries and hamburgers are complements. Suppose the cost of the ingredients used to make hamburgers rises, so that the price of a hamburger rises. Then the equilibrium relative price of french fries _____ and the equilibrium quantity _____.

Answer

- rises; increases
- rises; decreases
- falls; increases
- ✓ falls; decreases

◀ [Add Question Here](#)

Question 147 **Multiple Choice**

0 points

Modify

Remove

Question

A decrease in demand, with no change in supply, will lead to _____ in equilibrium quantity and _____ in equilibrium price.

Answer

- an increase; an increase
- an increase; a decrease
- a decrease; an increase
- ✓ a decrease; a decrease

[◀ Add Question Here](#)**Question 148 Multiple Choice****0 points**[Modify](#)[Remove](#)**Question**

Given a supply curve that is positively sloped and a demand curve for a normal good that is negatively sloped, an increase in income will most likely result in:

Answer

- ✓ an increase in equilibrium price and quantity.
- a decrease in equilibrium price and an increase in equilibrium quantity.
- a decrease in both equilibrium price and quantity.
- an increase in equilibrium price and a decrease in equilibrium quantity.

[◀ Add Question Here](#)**Question 149 Multiple Choice****0 points**[Modify](#)[Remove](#)**Question**

An increase in demand, all other things unchanged, will result in _____ in equilibrium price and _____ in equilibrium quantity.

Answer

- ✓ an increase; an increase
- a decrease; a decrease
- a decrease; an increase
- an increase; a decrease

[◀ Add Question Here](#)**Question 150 Multiple Choice****0 points**[Modify](#)[Remove](#)**Question**

A decrease in supply, with no change in demand, will lead to _____ in equilibrium quantity and _____ in equilibrium price.

Answer

- an increase; an increase
- an increase; a decrease
- ✓ a decrease; an increase
- a decrease; a decrease

[◀ Add Question Here](#)**Question 151 Multiple Choice****0 points**[Modify](#)[Remove](#)**Question**

An increase in supply, with no change in demand, will lead to _____ in equilibrium quantity and _____ in equilibrium price.

Answer

- an increase; an increase
- ✓ an increase; a decrease
- a decrease; an increase
- a decrease; a decrease

[◀ Add Question Here](#)

Question 152 Multiple Choice

0 points

Modify

Remove

Question

You notice that the price of DVD players falls and the quantity of DVD players sold increases. This set of observations can be the result of the:

Answer

- demand for DVD players shifting to the right.
- demand for DVD players shifting to the left.
- ✓ supply of DVD players shifting to the right.
- supply of DVD players shifting to the left.

[◀ Add Question Here](#)

Question 153 Multiple Choice

0 points

Modify

Remove

Question

In the market for corn tortilla chips, what would cause a price increase?

Answer

- Doctors tell their patients that tortilla chips are unhealthy.
- There is a technological advancement in the tortilla chip production process.
- ✓ A fungus kills much of the corn crop in Nebraska.
- The price of salsa triples.

[◀ Add Question Here](#)

Question 154 Multiple Choice

0 points

Modify

Remove

Question

The market price of airline flights increased recently. Some economists suggest that the price increased because several airlines went out of business. They believe that in the market for flights:

Answer

- supply increased.
- ✓ supply decreased.
- demand increased.
- demand decreased.

[◀ Add Question Here](#)

Question 155 Multiple Choice

0 points

Modify

Remove

Question

The market price of airline flights increased recently. Some economists suggest that the price increased because jet fuel is much more expensive than before. They believe that in the market for flights:

Answer

- supply increased.
- ✓ supply decreased.
- demand increased.
- demand decreased.

[◀ Add Question Here](#)

Question 156 Multiple Choice

0 points

Modify

Remove

Question

In the market for grass-fed beef, what would cause a price increase?

Answer

- The price of chicken decreases.
- Doctors tell patients that beef is full of saturated fat that causes heart attacks.
- ✓ The prices of grass and corn increase.
- There is a movement in the United States towards vegetarianism.

[◀ Add Question Here](#)

Question 157 Multiple Choice

0 points

Modify

Remove

Question

The market for corn is in equilibrium. Which of the following is most likely to increase the equilibrium price of corn?

Answer

- ☐ a bountiful harvest
- ☒ increasing production of corn-based ethanol
- ☐ decreasing household incomes and corn is a normal good
- ☐ a subsidy given by the government to growers of corn

[◀ Add Question Here](#)

Question 158 Multiple Choice

0 points

Modify

Remove

Question

The market for lemonade is in equilibrium and the price of lemons rises. How will this affect the lemonade market?

Answer

- ☐ Demand will decrease, decreasing the price and decreasing the quantity.
- ☐ Demand will decrease, increasing the price and decreasing the quantity.
- ☐ Supply will increase, decreasing the price and increasing the quantity.
- ☒ Supply will decrease, increasing the price and decreasing the quantity.

[◀ Add Question Here](#)

Question 159 Multiple Choice

0 points

Modify

Remove

Question

Suppose the input costs associated with manufacturing hair replacement treatments decreases over time. This would lead to:

Answer

- ☒ an increase in the supply of such treatments, lower prices, and an increase in the equilibrium quantity.
- ☐ a decrease in quantity supplied and lower prices.
- ☐ an increase in demand and higher prices.
- ☐ a decrease in the supply of such treatments, higher prices, and a decrease in the equilibrium quantity.

[◀ Add Question Here](#)

Question 160 Multiple Choice

0 points

Modify

Remove

Question

The price of microchips used to produce computers falls. As a result, the equilibrium price of computers _____ and the equilibrium quantity _____.

Answer

- ☐ rises; increases
- ☒ rises; decreases
- ☐ falls; decreases
- ☐ falls; increases

[◀ Add Question Here](#)

Question 161 Multiple Choice

0 points

Modify

Remove

Question

You notice that the price of DVD players falls and the quantity of DVD players sold increases. Which of the following may cause this change?

- Answer**
- Demand for DVD players shifts to the right.
 - Demand for DVD players shifts to the left.
 - ✓ Supply of DVD players shifts to the right.
 - Supply of DVD players shifts to the left.

◀ [Add Question Here](#)

Question 162 **Multiple Choice**

0 points

Modify

Remove

Question

If the United States increases tariffs on imports of lumber from Canada (which causes the price of lumber to increase in the United States), the equilibrium price of new homes in the United States will _____ and the equilibrium quantity of new homes in the United States will _____.

- Answer**
- increase; increase
 - ✓ increase; decrease
 - decrease; increase
 - decrease; decrease

◀ [Add Question Here](#)

Question 163 **Multiple Choice**

0 points

Modify

Remove

Question

Consider gas stations where customers pay inside before they pump gasoline. If they introduce a new technology where customers pay at the pump, thus decreasing production costs, there will be:

- Answer**
- ✓ a shift to the right in the supply curve and lower gas prices.
 - a shift to the left in the supply curve and higher gas prices.
 - a shift to the right in the demand curve and higher gas prices.
 - a shift to the left in the demand curve and lower gas prices.

◀ [Add Question Here](#)

Question 164 **Multiple Choice**

0 points

Modify

Remove

Question

Many public utilities burn oil to generate electricity. If the price of oil increases, we would expect there to be:

- Answer**
- a shift to the right in the supply curve of electricity and a lower price for electricity.
 - ✓ a shift to the left in the supply curve of electricity and a higher price for electricity.
 - a shift to the right in the demand curve for oil and a higher price for electricity.
 - a shift to the left in the demand curve for oil and a lower price for electricity.

◀ [Add Question Here](#)

Question 165 **Multiple Choice**

0 points

Modify

Remove

Question

The market for milk is initially in equilibrium. Milk producers engage in an advertising program to encourage milk drinking, which succeeds in shifting consumer tastes toward drinking milk. More milk producers enter the market. Standard demand and supply analysis tells us that:

- Answer**
- the equilibrium price and quantity of milk will rise.
 - the equilibrium price and quantity of milk will fall.
 - ✓ the equilibrium quantity of milk will rise, but we can't determine how the equilibrium price will be affected.
 - the equilibrium price of milk will rise, but we can't determine how the equilibrium quantity will be affected.

◀ [Add Question Here](#)

Question 166 **Multiple Choice**

0 points

Modify

Remove

Question

Consider the market for iPods. What happens if a fantastic new alternative MP3 player is developed and at the same time a boat carrying a large shipment of iPods is attacked by pirates and sunk?

- Answer**
- Price decreases and quantity increases.
 - Price increases and quantity increases.
 - ✓ The change in price is indeterminate and quantity decreases.
 - Price increases and the change in quantity is indeterminate.

◀ [Add Question Here](#)

Question 167 **Multiple Choice**

0 points

Modify

Remove

Question

Consider the market for corn. What happens if there is an increased demand for corn tortillas and at the same time a new corn seed becomes available that dramatically increases the per-acre yield?

- Answer**
- Price and quantity decrease.
 - The change in price is indeterminate; quantity decreases.
 - ✓ The change in price is indeterminate; quantity increases.
 - Price increases; the change in quantity is indeterminate.

◀ [Add Question Here](#)

Question 168 **Multiple Choice**

0 points

Modify

Remove

Question

In the market for local coffee, the price will _____ and the quantity will _____ if new coffee shops open and consumers' incomes decrease due to a recession.

- Answer**
- increase; be indeterminate
 - ✓ decrease; be indeterminate
 - be indeterminate; increase
 - be indeterminate; decrease

◀ [Add Question Here](#)

Question 169 **Multiple Choice**

0 points

Modify

Remove

Question

Suppose the local real estate market is in equilibrium. A recession causes local household incomes to decline. At the same time, construction of a large subdivision of new homes has just been completed. Given these two changes, we can predict the price of real estate will _____ and the quantity of real estate bought and sold will _____.

- Answer**
- fall; fall
 - fall; rise
 - ✓ fall; rise or fall

rise; fall or rise

 [Add Question Here](#)Question 170 **Multiple Choice**

0 points


 Modify Remove**Question**

Suppose the market for gasoline is in equilibrium. You have heard that the price of crude oil is falling because of new oil discoveries. You are also aware that the number of car and truck drivers is steadily rising. Knowing this, you predict that the price of gasoline will _____ and the quantity of gasoline bought and sold will _____.

Answer

rise; rise

rise; fall

 rise or fall; rise

rise or fall; fall

 [Add Question Here](#)Question 171 **Multiple Choice**


0 points

 Modify Remove**Question**

A recent news story reported that OPEC is expected to decrease the supply of oil next summer. Summer is traditionally a time of increased demand for oil because of the many families driving and flying to vacation sites. What would be the combined effect of these two events on the summer market for gasoline?

Answer

an increase in the price and the quantity

 an increase in the price and an unpredictable change in the quantity

an unpredictable change in both the price and the quantity

an unpredictable change in the price and a decrease in the quantity

 [Add Question Here](#)Question 172 **Multiple Choice**

0 points

 Modify Remove**Question**


Suppose that more police and security workers become aware that wearing bulletproof vests can protect them from injury and decide to start wearing bulletproof vests. At the same time, the price of ceramics used to produce the vests falls. The equilibrium relative price of bulletproof vests _____ and the equilibrium quantity produced _____.

Answer

increases; increases

decreases; decreases

probably changes, but in an ambiguous direction; probably changes, but in an ambiguous direction

 probably changes, but in an ambiguous direction; increases [Add Question Here](#)Question 173 **Multiple Choice**

0 points

 Modify Remove**Question**

An increase in the price and an ambiguous change in quantity is most likely caused by:

Answer

a shift to the left in demand and no shift in supply.

a shift to the left in supply and no shift in demand.

a shift to the right in supply and a shift to the left in demand.

 a shift to the left in supply and a shift to the right in demand. [Add Question Here](#)

Question 174 Multiple Choice

0 points

Modify

Remove

Question

Suppose that supply increases and demand decreases. What is the most likely effect on price and quantity?

- Answer**
- The price will increase, but quantity may increase, decrease, or stay the same.
 - ✓ The price will decrease, but quantity may increase, decrease, or stay the same.
 - The price will decrease and quantity will decrease.
 - The price will increase and quantity will increase.

[◀ Add Question Here](#)

Question 175 Multiple Choice

0 points

Modify

Remove

Question

An ambiguous change in price and a decrease in quantity are most likely caused by:

- Answer**
- no shift in supply and a shift to the left in demand.
 - ✓ a shift to the left in supply and a shift to the left in demand.
 - a shift to the right in supply and a shift to the left in demand.
 - a shift to the left in supply and a shift to the right in demand.

[◀ Add Question Here](#)

Question 176 Multiple Choice

0 points

Modify

Remove

Question

The cost of sensors used in making digital cameras falls, while a successful ad campaign makes digital cameras more fashionable. As a result, the equilibrium relative price of digital cameras _____ and the equilibrium quantity _____.

- Answer**
- increases; increases
 - increases; may increase, decrease, or stay the same
 - ✓ may increase, decrease, or stay the same; increases
 - decreases; increases

[◀ Add Question Here](#)

Question 177 Multiple Choice

0 points

Modify

Remove

Question

A decrease in demand and a decrease in supply will lead to _____ in equilibrium quantity and _____ in equilibrium price.

- Answer**
- ✓ a decrease; an indeterminate change
 - an indeterminate change; an increase
 - an indeterminate change; a decrease
 - an increase; an indeterminate change

[◀ Add Question Here](#)

Question 178 Multiple Choice

0 points

Modify

Remove

Question

An increase in demand and a decrease in supply will lead to _____ in equilibrium quantity and _____ in equilibrium price.

- Answer**
- a decrease; a decrease
 - ✓ an indeterminate change; an increase

an indeterminate change; a decrease
an increase; an indeterminate change

◀ [Add Question Here](#)

Question 179 **Multiple Choice**

0 points

Modify

Remove

Question

It is certain that the equilibrium price will fall when:

- Answer**
- the supply curve and the demand curve both shift to the right.
 - ✓ the supply curve shifts to the right and the demand curve shifts to the left.
 - supply and demand both increase.
 - supply decreases and demand stays the same.

◀ [Add Question Here](#)

Question 180 **Multiple Choice**

0 points

Modify

Remove

Question

It is certain that the equilibrium price will rise when:

- Answer**
- the supply curve and the demand curve both shift to the right.
 - the supply curve shifts to the right and the demand curve shifts to the left.
 - supply and demand both shift to the left.
 - ✓ the supply curve shifts to the left and the demand curve shifts to the right.

◀ [Add Question Here](#)

Question 181 **Multiple Choice**

0 points

Modify

Remove

Question

It is certain that the equilibrium quantity will fall when:

- Answer**
- the supply curve and the demand curve both shift to the right.
 - the supply curve shifts to the right and the demand curve shifts to the left.
 - supply curve shifts to the left and demand shifts to the right.
 - ✓ supply shifts to the left and demand stays the same.

◀ [Add Question Here](#)

Question 182 **Multiple Choice**

0 points

Modify

Remove

Question

It is certain that the equilibrium quantity will rise when:

- Answer**
- ✓ the supply curve and the demand curve both shift to the right.
 - the supply curve shifts to the right and the demand curve shifts to the left.
 - supply and demand both shift to the left.
 - supply shifts to the left and demand stays the same.

◀ [Add Question Here](#)

Question 183 **Multiple Choice**

0 points

Modify

Remove

Question

Equilibrium quantity will always increase if:

- Answer**
- ✓ supply and demand both increase.
 - supply increases and demand decreases.
 - supply and demand both decrease.
 - supply decreases and demand remains unchanged.

[Add Question Here](#)

Question 184 Multiple Choice

0 points

Modify

Remove

Question

The _____ tomatoes will decrease if fertilizer prices rise.

Answer

- demand for
- quantity demanded of
- ✓ supply of
- equilibrium price of

[Add Question Here](#)

Question 185 Multiple Choice

0 points

Modify

Remove

Question

Which of the following will result in an increased price of milk?

Answer

- a shift to the right of the supply curve for milk
- ✓ a shift to the right of the demand curve for milk
- an increase in the number of milk suppliers
- a decrease in the number of milk buyers

[Add Question Here](#)

Question 186 Multiple Choice

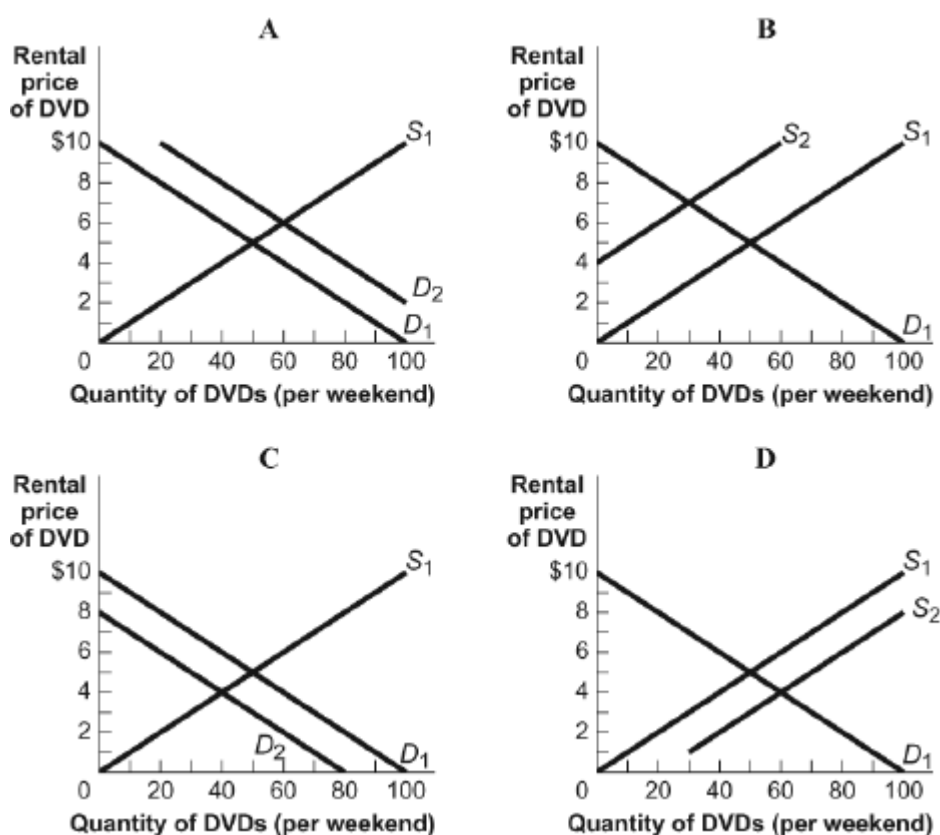
0 points

Modify

Remove

Question

Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is

the original curve and D_2 or S_2 is the new curve, which of the graphs shows a change that results in an increase in the quantity demanded of DVDs?

Answer

- A
- B
- C
- ✓ D

◀ [Add Question Here](#)

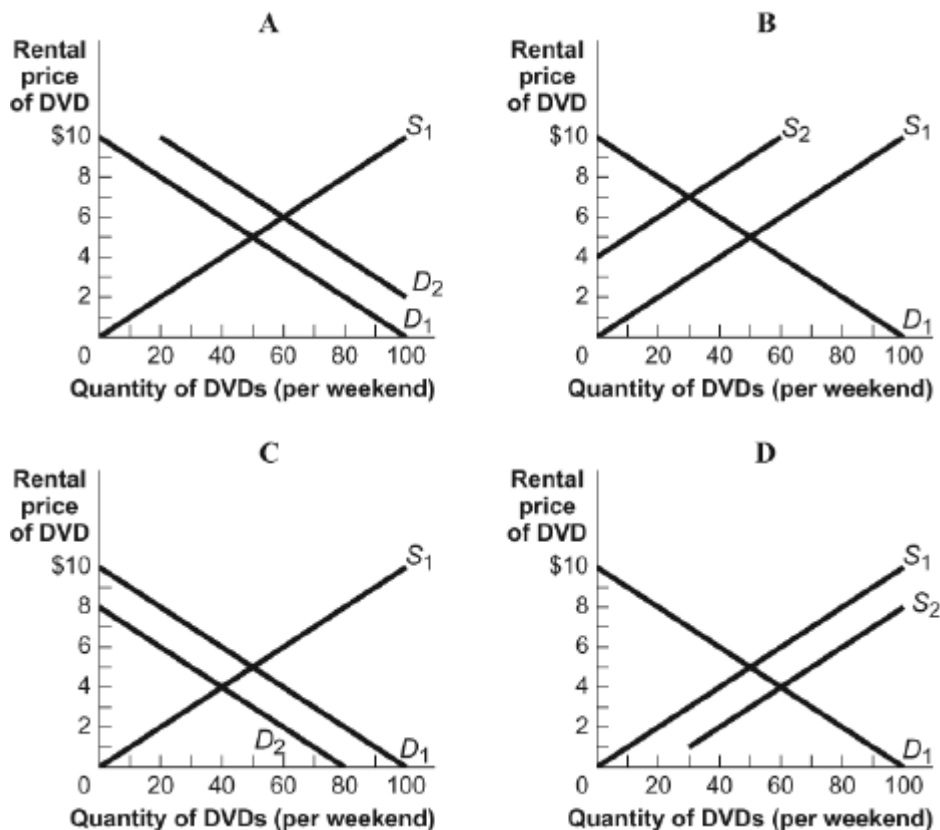
Question 187 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is the original curve and D_2 or S_2 is the new curve, which of the graphs illustrates what may happen in the market for DVDs if there is an increase in the cost of a movie ticket at the local theater?

Answer

- ✓ A
- B
- C
- D

◀ [Add Question Here](#)

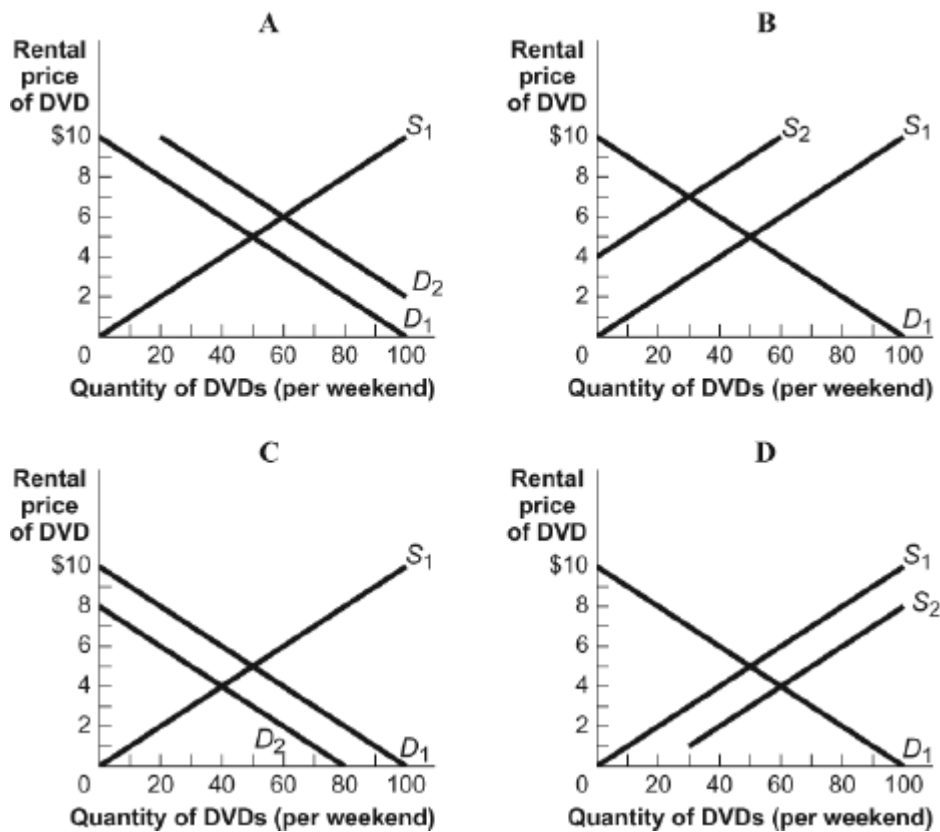
Question 188 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is the original curve and D_2 or S_2 is the new curve, which of the graphs shows a change that results in a decrease in the quantity of DVDs supplied?

Answer

- A
- B
- ✓ C
- D

◀ [Add Question Here](#)

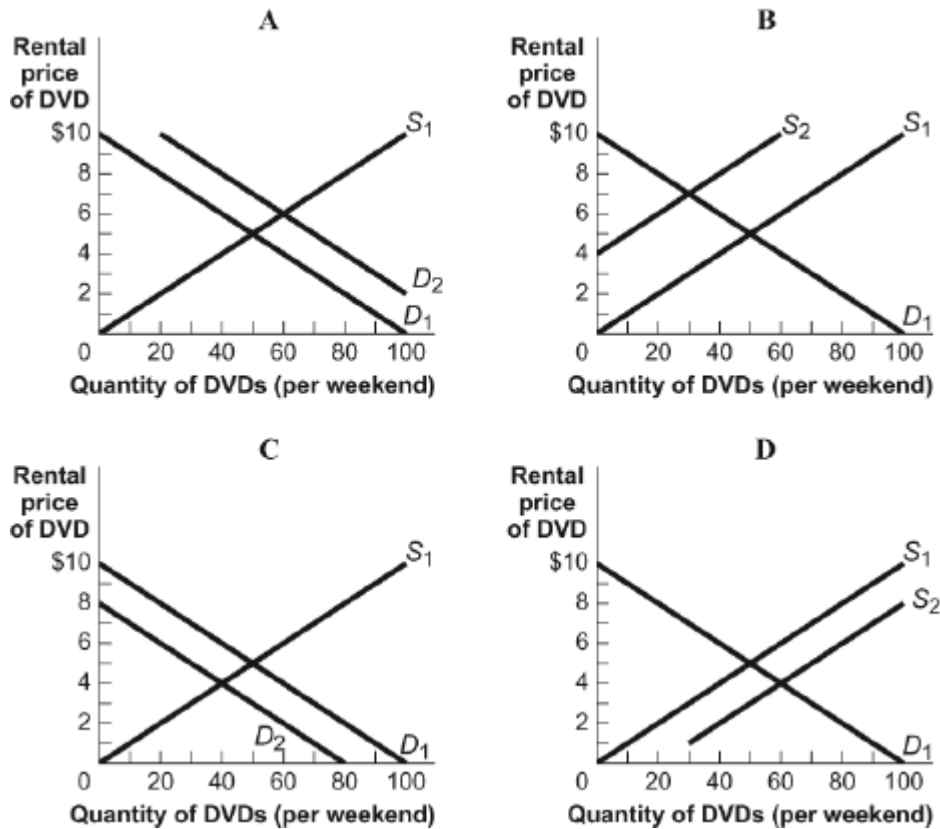
Question 189 Multiple Choice

0 points

Modify

Remove

Question
Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is the original curve and D_2 or S_2 is the new curve,, which of the graphs illustrates what may happen in the market for DVDs if the cost of producing DVDs falls?

Answer

- A
- B
- C
- ✓ D

◀ [Add Question Here](#)

Question 190 **Multiple Choice**

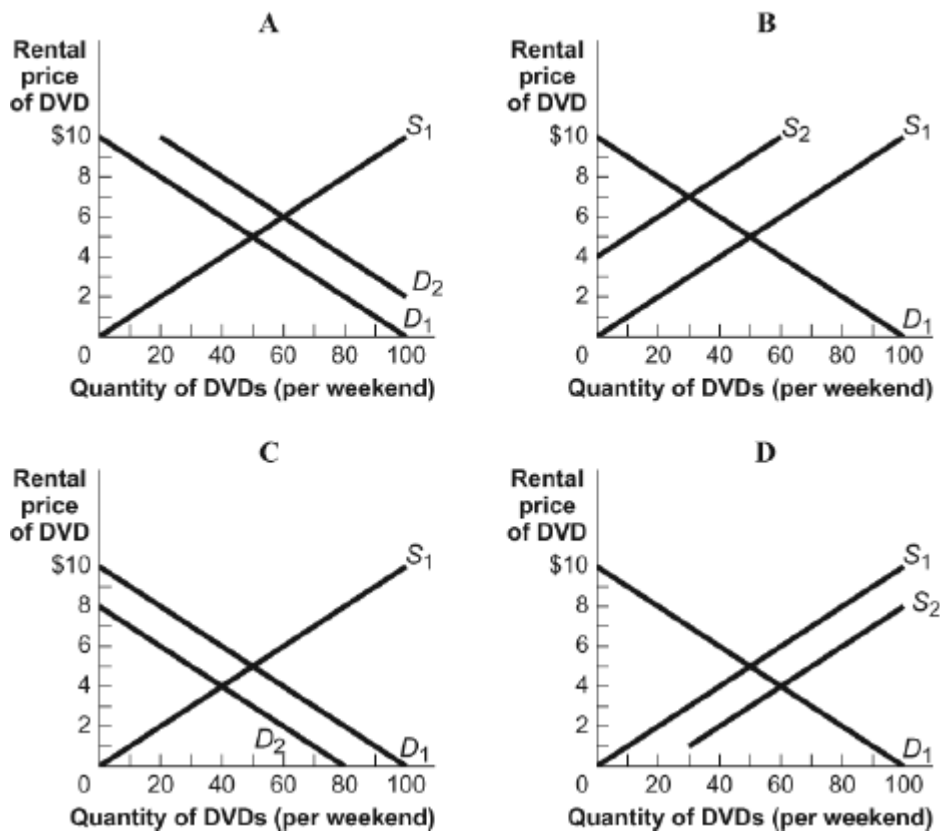
0 points

Modify

Remove

Question

Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is the original curve and D_2 or S_2 is the new curve, which of the graphs shows what may happen in the market for DVDs if the cost of producing DVD players increases?

Answer

- A
- ✓ B
- C
- D

◀ [Add Question Here](#)

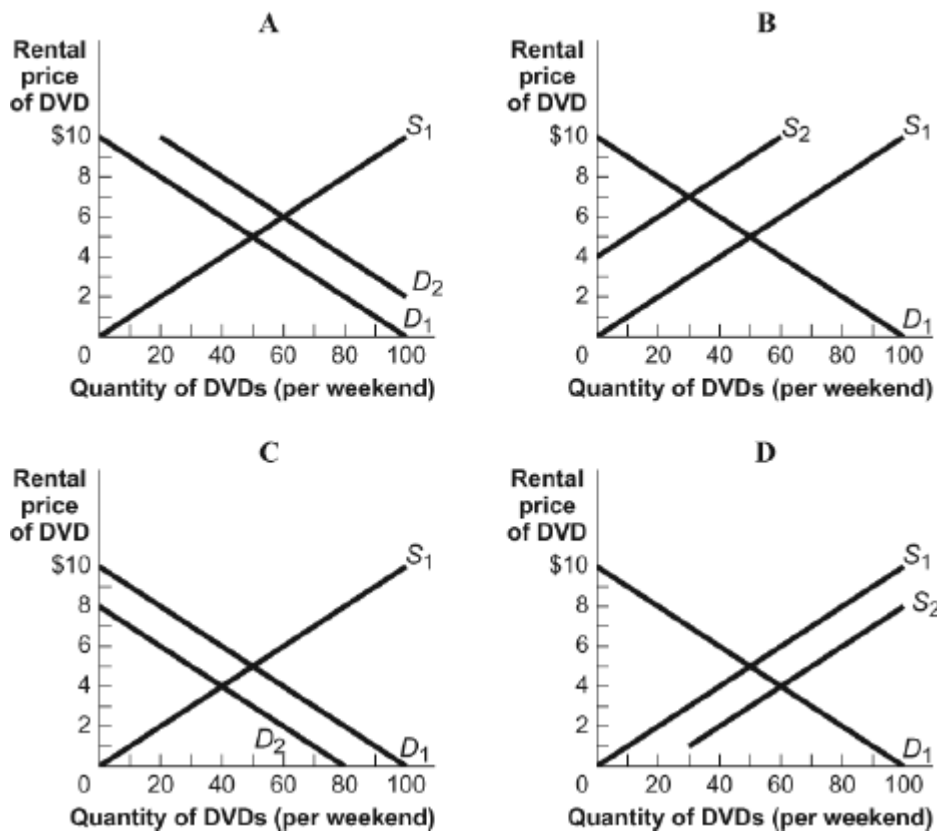
Question 191 Multiple Choice

0 points

Modify

Remove

Question
Figure: Four Markets for DVDs



Reference: Ref 3-12

(Figure: Four Markets for DVDs) Look at the figure Four Markets for DVDs. If D_1 or S_1 is the original curve and D_2 or S_2 is the new curve, which of the graphs shows what may happen if some of the stores that rent DVDs close?

Answer

- A
- ✓ B
- C
- D

[Add Question Here](#)

Question 192 **Multiple Choice**

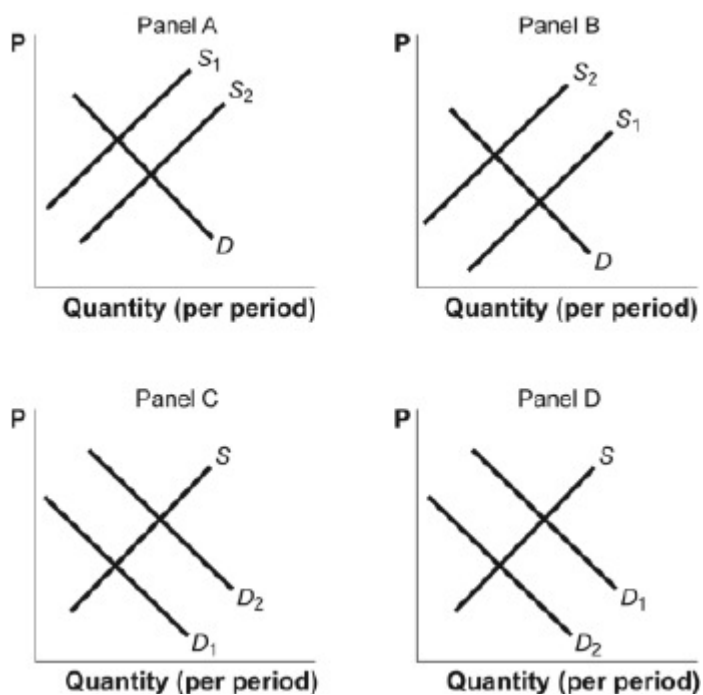
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The figure shows how supply and demand might shift in response to specific events. Suppose consumer incomes increase. Which panel best describes how this will affect the market for used furniture, an inferior good?

Answer

panel A

panel B

panel C

✓ panel D

[Add Question Here](#)

Question 193 **Multiple Choice**

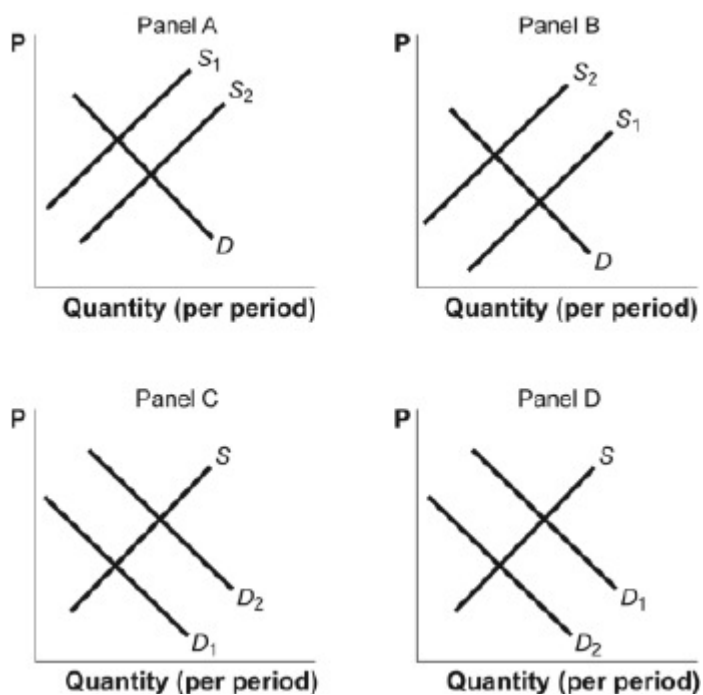
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The figure shows how supply and demand might shift in response to specific events. Suppose scientists discover that eating a tomato a day prevents aging. Which panel best describes how this will affect the market for tomatoes?

Answer

- panel A
- panel B
- ✓ panel C
- panel D

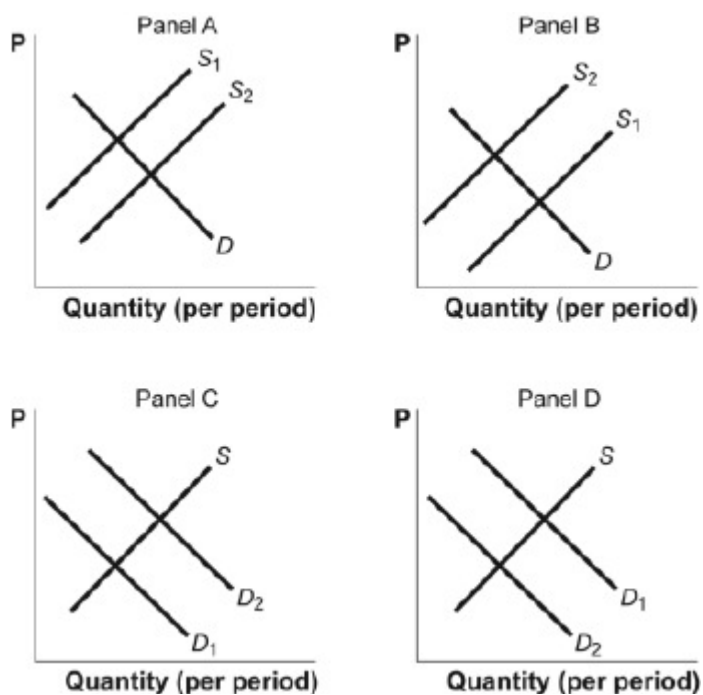
[Add Question Here](#)

Question 194 **Multiple Choice**

0 points

Modify
Remove

Question
Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The figure shows how supply and demand might shift in response to specific events. Suppose a fall frost destroys one-third of the nation's orange crop. Which panel best describes how this will affect the market for oranges?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

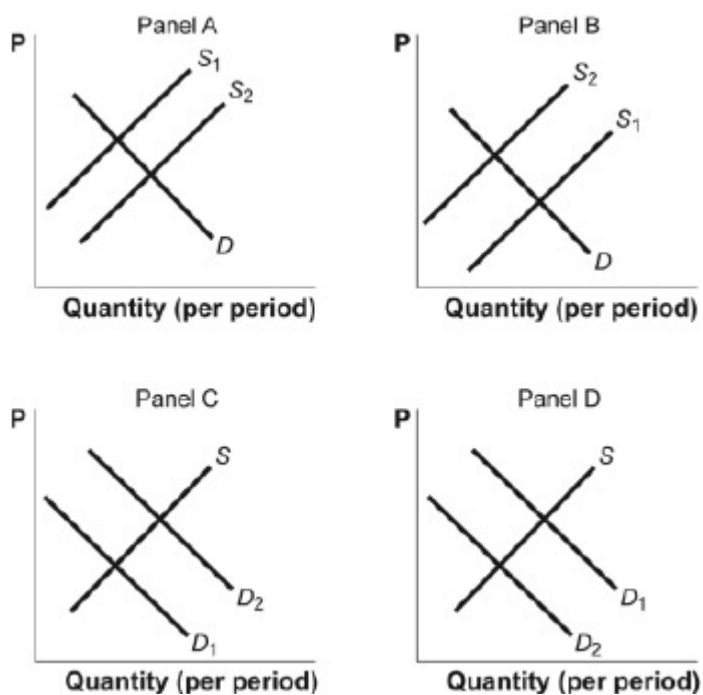
Question 195 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The figure shows how supply and demand might shift in response to specific events. Suppose a fall frost destroys one-third of the nation's orange crop. Which panel best describes how this will affect the market for vitamin C tablets, which are a substitute for oranges?

Answer

- panel A
- panel B
- ✓ panel C
- panel D

[Add Question Here](#)

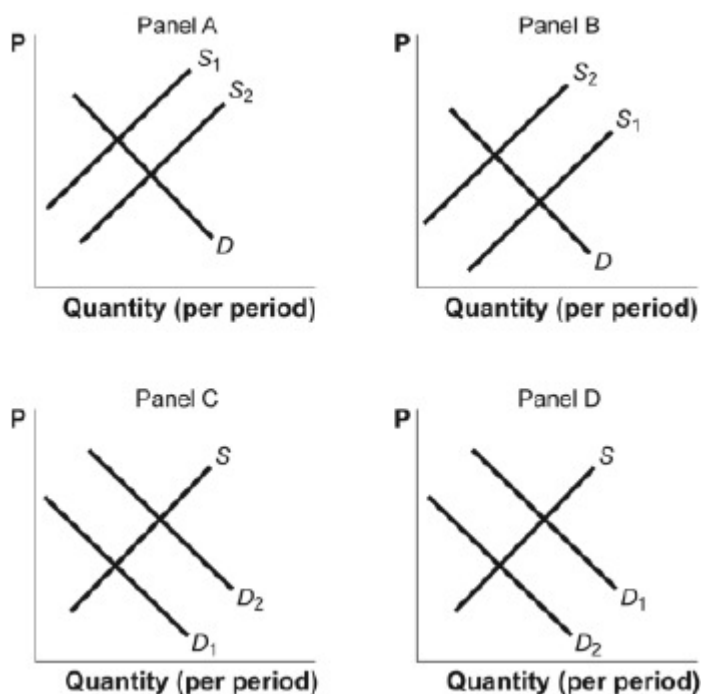
Question 196 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The figure shows how supply and demand might shift in response to specific events. Suppose the population increases. Which panel best describes how this will affect the market for apples?

Answer

panel A

panel B

✓ panel C

panel D

[Add Question Here](#)

Question 197 **Multiple Choice**

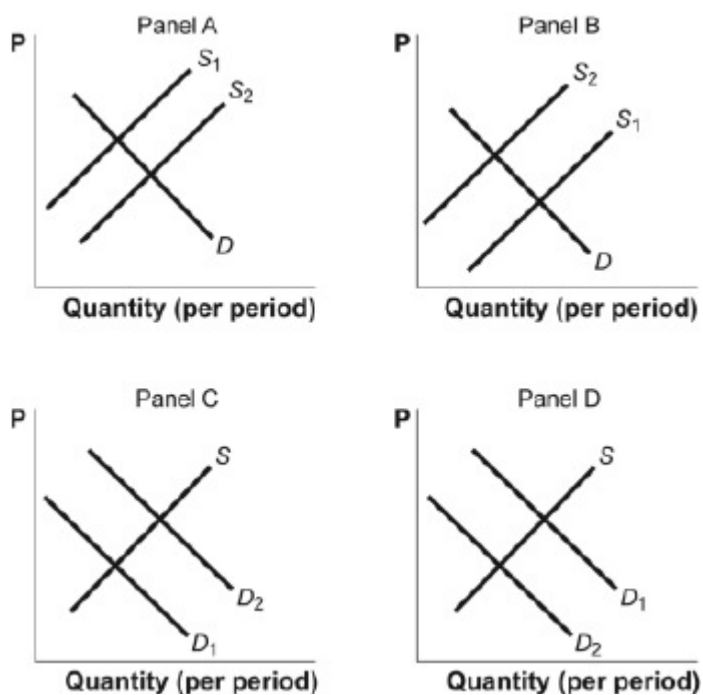
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply



Reference: Ref 3-13

(Figure: Shifts in Demand and Supply) Look at the figure Shifts in Demand and Supply. The graph shows how supply and demand might shift in response to specific events. Suppose a new machine is developed that allows restaurants and fast-food outlets to produce french fries at a lower cost. Which panel best describes how this will affect the market for french fries?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

Question 198 **Multiple Choice**

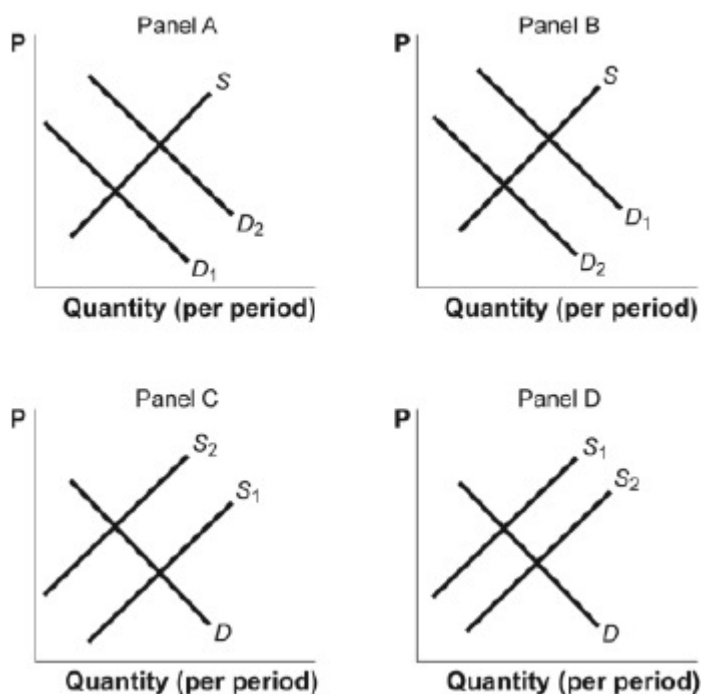
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The graph shows how supply and demand might shift in response to specific events. Suppose consumer incomes decrease. Which panel best describes how this will affect the market for used clothing, an inferior good?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

Question 199 **Multiple Choice**

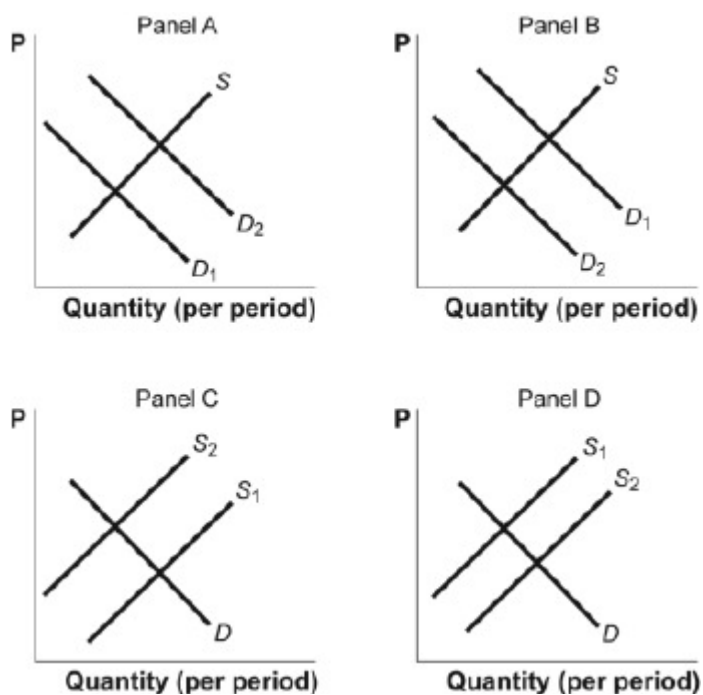
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The graph shows how supply and demand might shift in response to specific events. Suppose scientists discover that eating pomegranates causes aging. Which panel best describes how this will affect the market for pomegranates?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

Question 200 **Multiple Choice**

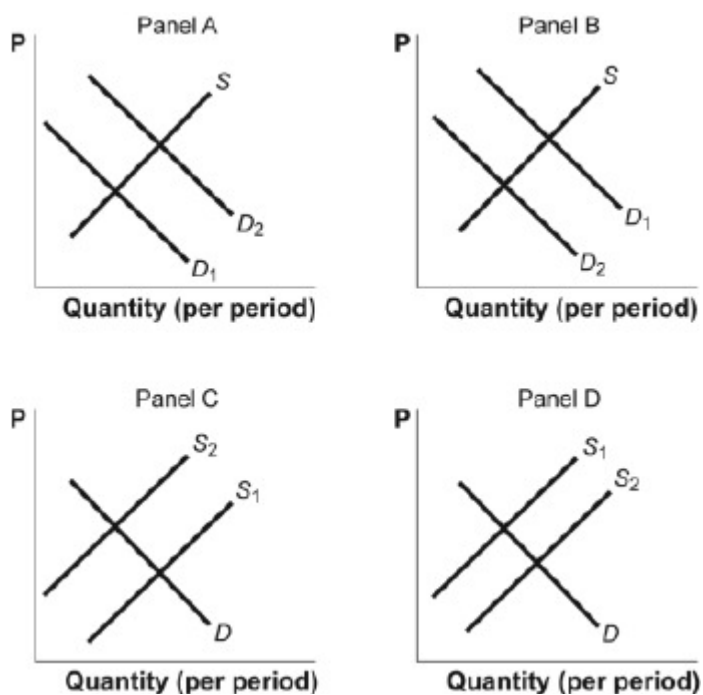
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The graph shows how supply and demand might shift in response to specific events. Suppose a drought destroys one-third of the nation's peanut crop. Which panel best describes how this will affect the market for peanuts?

Answer

panel A

panel B

✓ panel C

panel D

◀ [Add Question Here](#)

Question 201 **Multiple Choice**

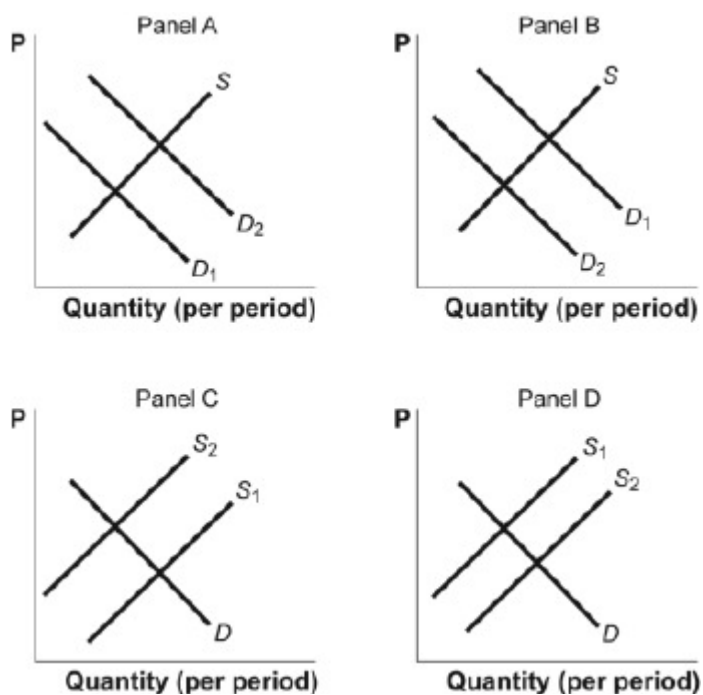
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The graph shows how supply and demand might shift in response to specific events. Suppose a fall frost destroys one-third of the nation's grapefruit crop. Which panel best describes how this will affect the market for vitamin B₁₂ tablets, which are a substitute for grapefruit?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

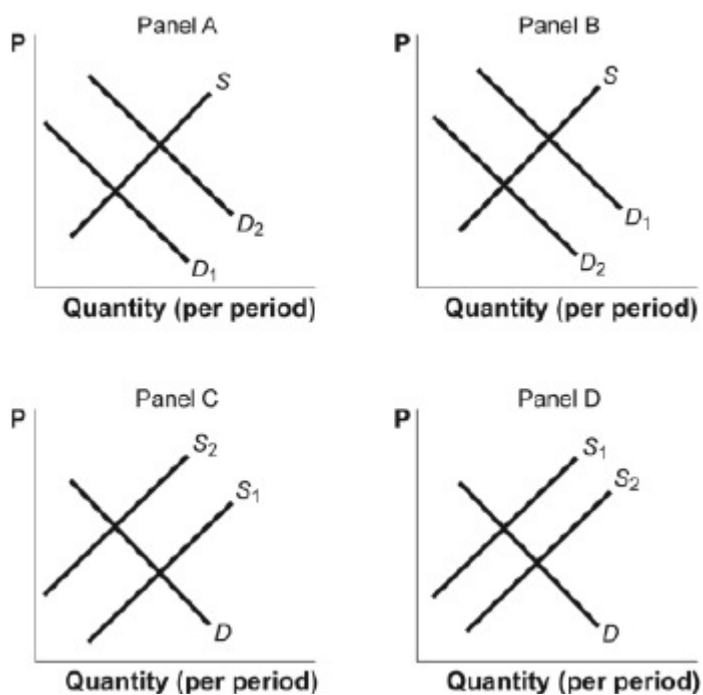
Question 202 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The figure shows how supply and demand might shift in response to specific events. Suppose the birth rate (the number of babies per woman of childbearing age) decreases. Which panel best describes how this will affect the market for diapers?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

Question 203 **Multiple Choice**

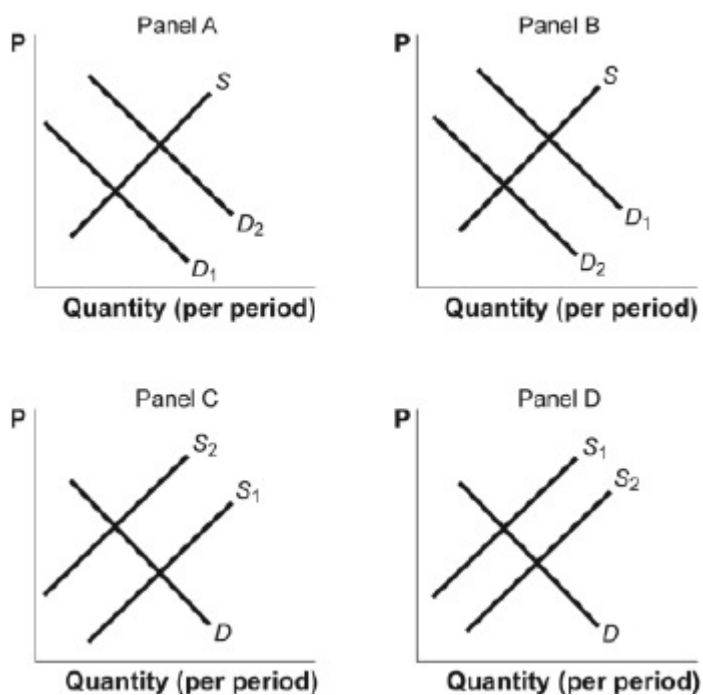
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The figure shows how supply and demand might shift in response to specific events. Suppose that vast new oilfields are discovered offshore of California, and thus gasoline prices fall. Which panel best describes how this will affect the market for sport utility vehicles, a complement to gasoline?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

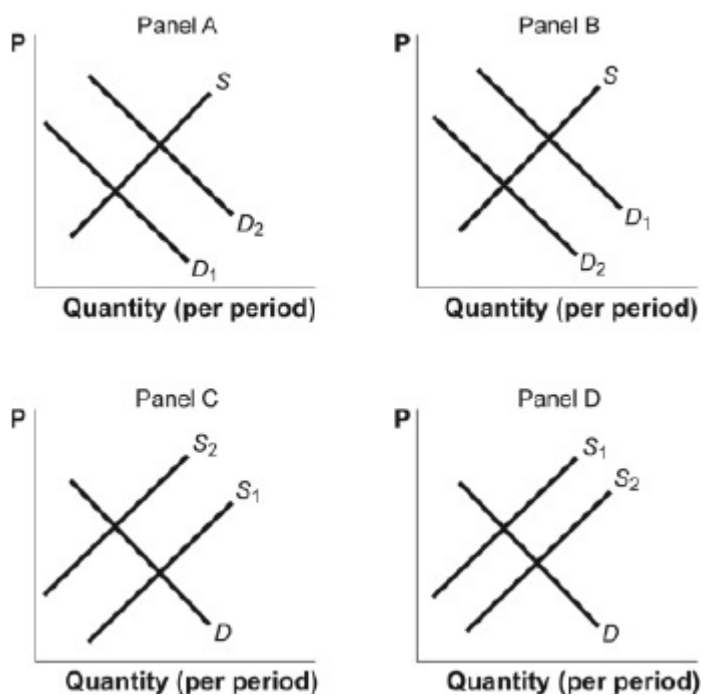
Question 204 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Shifts in Demand and Supply II



Reference: Ref 3-14

(Figure: Shifts in Demand and Supply II) Look at the figure Shifts in Demand and Supply II. The figure shows how supply and demand might shift in response to specific events. Suppose the technology for producing ethanol fuel improves. Which panel best describes how this will affect the market for ethanol?

Answer

panel A

panel B

panel C

✓ panel D

[Add Question Here](#)

Question 205 **Multiple Choice**

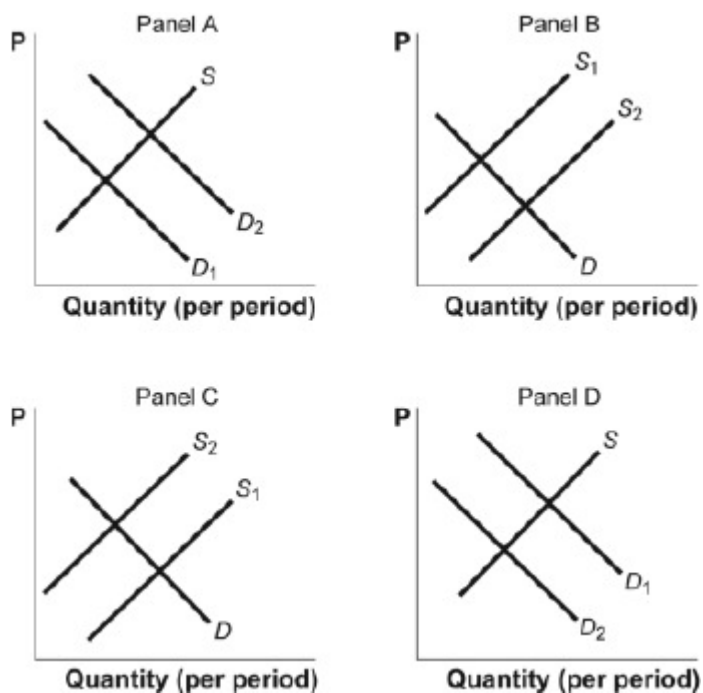
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply III



Reference: Ref 3-15

(Figure: Shifts in Demand and Supply III) Look at the figure Shifts in Demand and Supply III. The figure shows how supply and demand might shift in response to specific events. Suppose consumer incomes increase. Which panel best describes how this will affect the market for designer boots, a normal good?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

Question 206 **Multiple Choice**

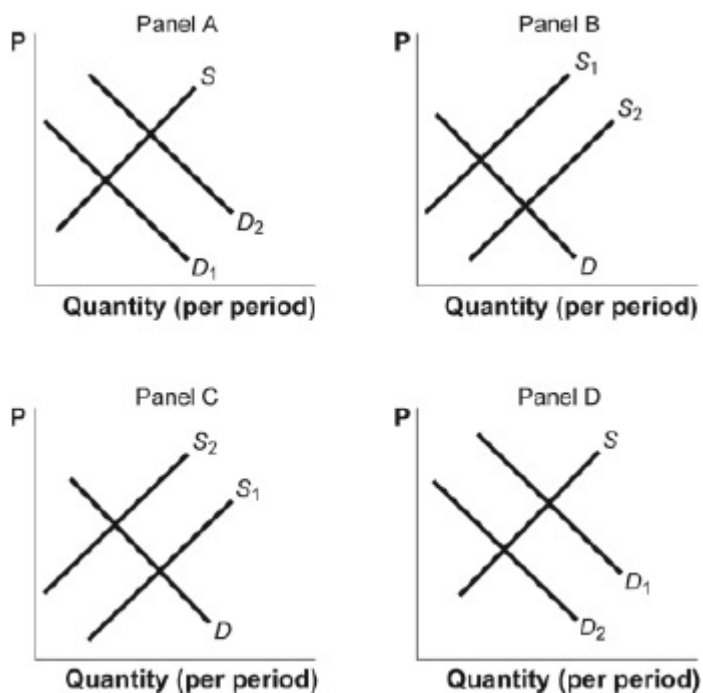
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply III



Reference: Ref 3-15

(Figure: Shifts in Demand and Supply III) Look at the figure Shifts in Demand and Supply III. The figure shows how supply and demand might shift in response to specific events. Suppose scientists discover that eating asparagus slows down the aging process. Which panel best describes how this will affect the market for asparagus?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

Question 207 **Multiple Choice**

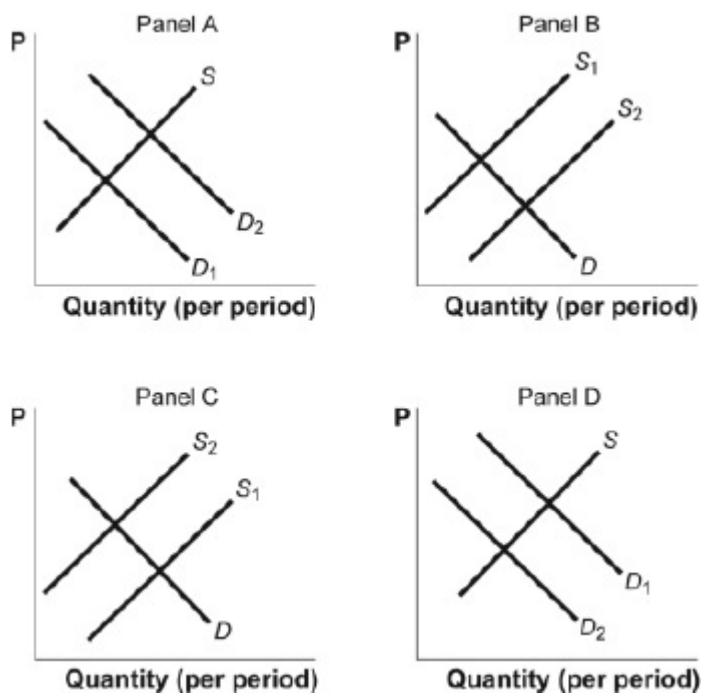
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply III



Reference: Ref 3-15

(Figure: Shifts in Demand and Supply III) Look at the figure Shifts in Demand and Supply III. The figure shows how supply and demand might shift in response to specific events. Suppose a wet and sunny year increases the nation's corn crop by 20%. Which panel best describes how this will affect the market for corn?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

Question 208 **Multiple Choice**

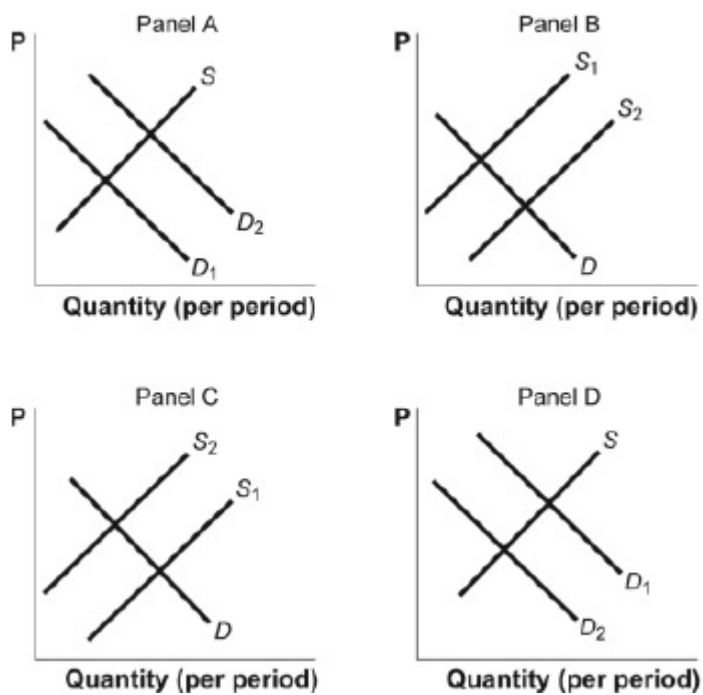
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply III



Reference: Ref 3-15

(Figure: Shifts in Demand and Supply III) Look at the figure Shifts in Demand and Supply III. The figure shows how supply and demand might shift in response to specific events. Suppose a spring frost destroys one-third of the nation's artichoke crop. Which panel best describes how this will affect the market for mayonnaise, which is a complement to artichokes?

Answer

- panel A
- panel B
- panel C
- ✓ panel D

[Add Question Here](#)

Question 209 **Multiple Choice**

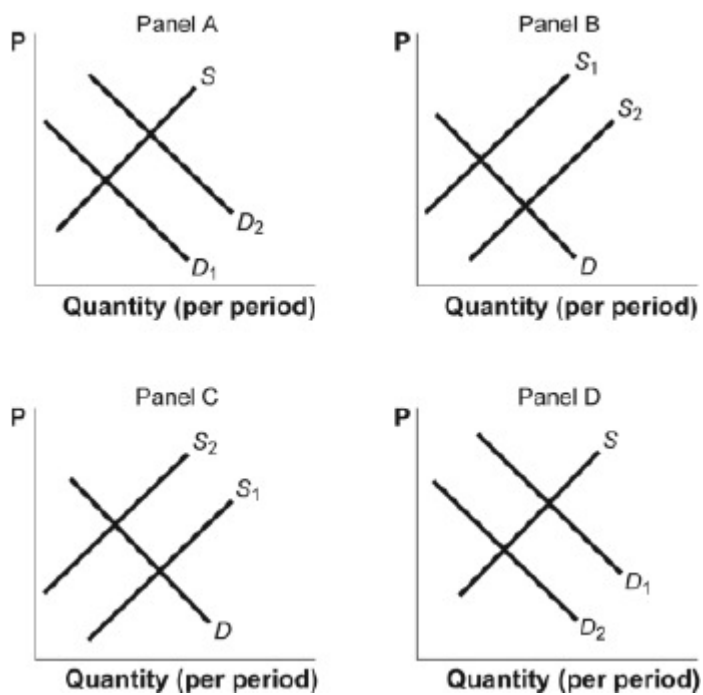
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Modify

Remove

Question

Figure: Shifts in Demand and Supply III



Reference: Ref 3-15

(Figure: Shifts in Demand and Supply III) Look at the figure Shifts in Demand and Supply III. The figure shows how supply and demand might shift in response to specific events. Suppose the technology for producing snowboards improves. Which panel best describes how this will affect the market for winter parkas, a complement of snowboards?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

Question 210 **Multiple Choice**

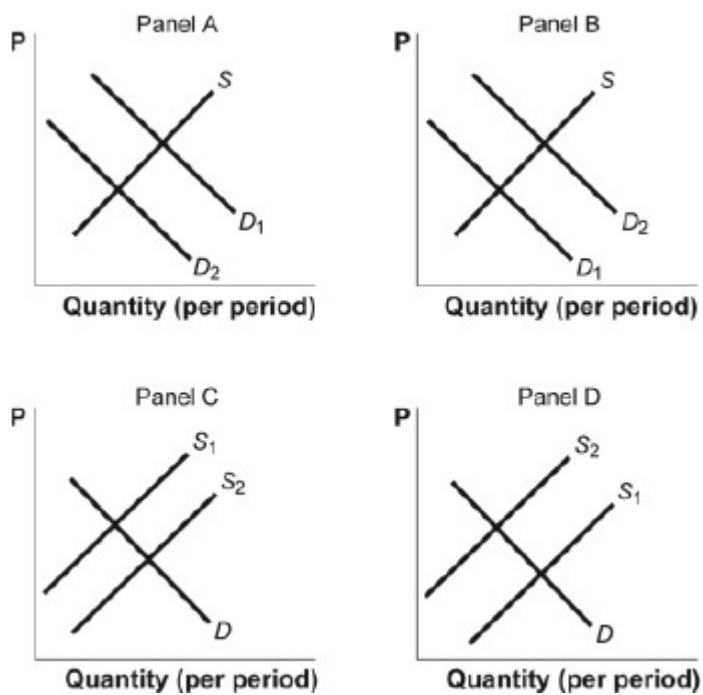
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose consumer incomes increase. Which panel best describes how this will affect the market for big-screen televisions, a normal good?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

Question 211 **Multiple Choice**

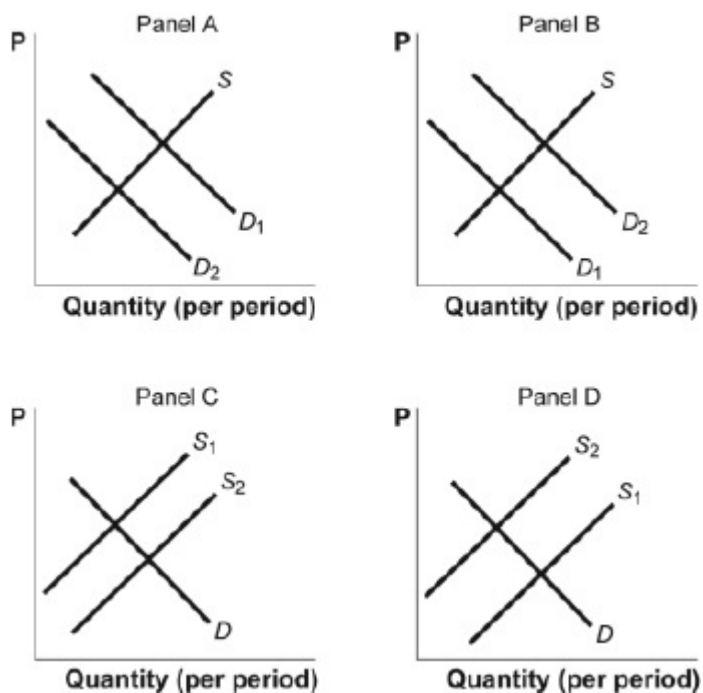
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Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose the Surgeon General announces that eating chocolate prevents heart disease. Which panel best describes how this will affect the market for chocolate?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

◀ [Add Question Here](#)

Question 212 **Multiple Choice**

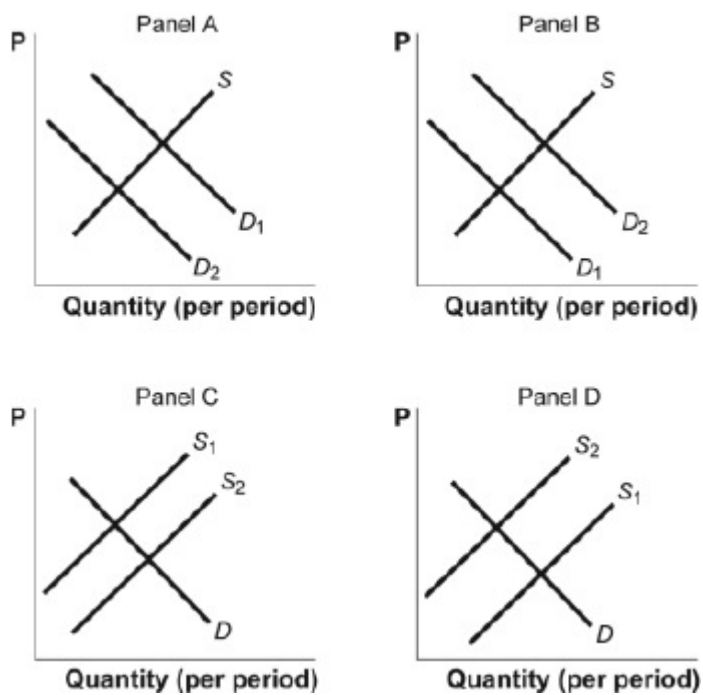
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose the price of lumber falls dramatically. Which panel best describes how this will affect the market for houses?

Answer

panel A

panel B

✓ panel C

panel D

◀ [Add Question Here](#)

Question 213 **Multiple Choice**

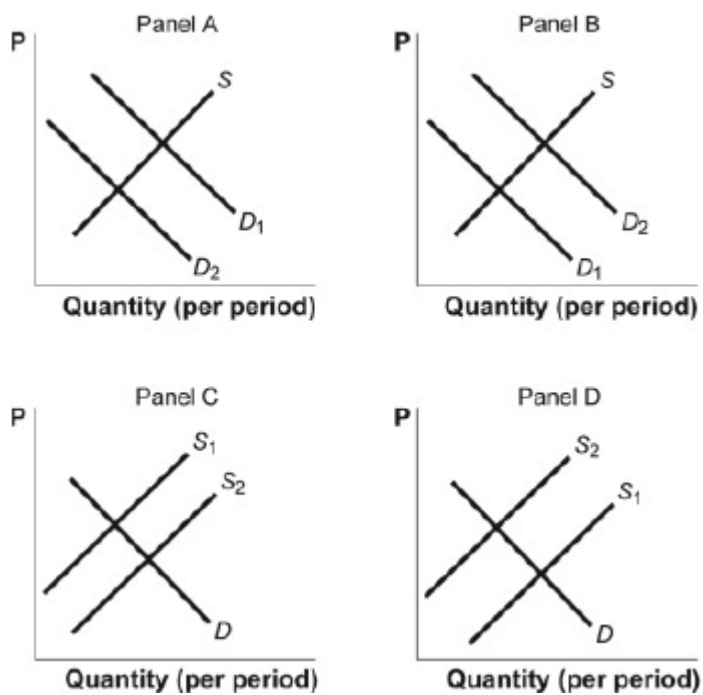
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose oil becomes more expensive. Which panel best describes how this will affect the market for gasoline, which is made from oil?

Answer

panel A

panel B

panel C

✓ panel D

[Add Question Here](#)

Question 214 **Multiple Choice**

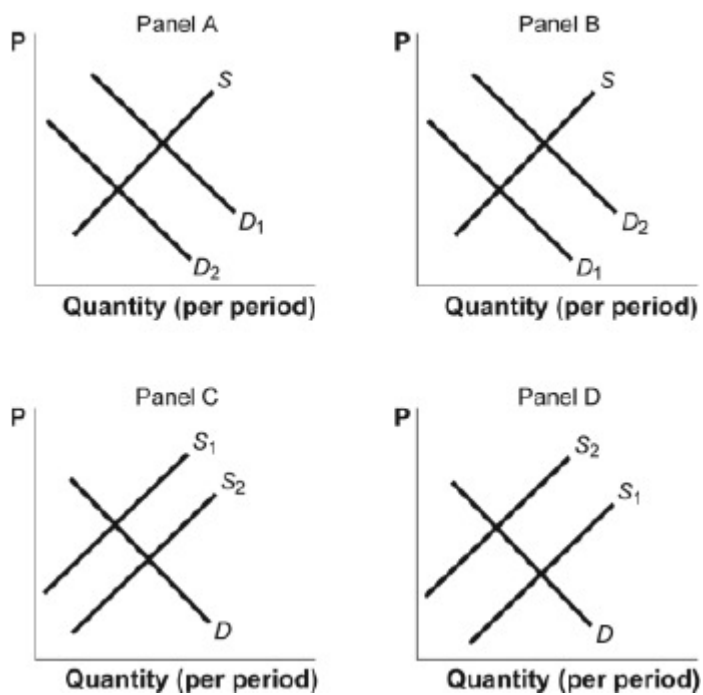
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose half of the people in San Diego move to Colorado Springs. Which panel best describes how this will affect the market for houses in Colorado Springs?

Answer

- panel A
- ✓ panel B
- panel C
- panel D

[Add Question Here](#)

Question 215 **Multiple Choice**

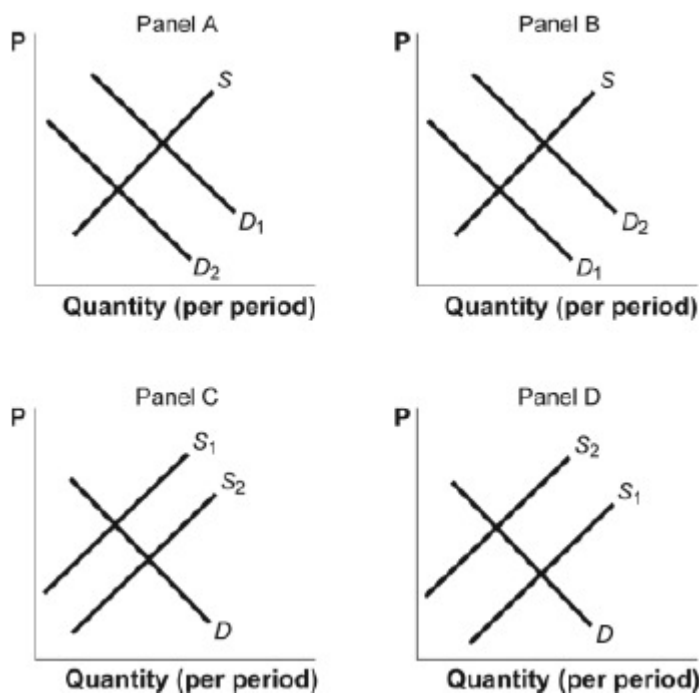
0 points

Modify

Remove

Question

Figure: Shifts in Demand and Supply IV



Reference: Ref 3-16

(Figure: Shifts in Demand and Supply IV) Look at the figure Shifts in Demand and Supply IV. The figure shows how supply and demand might shift in response to specific events. Suppose half of the people in San Diego pack up and move to Colorado Springs. Which panel best describes how this will affect the supply of houses in San Diego?

Answer

- ✓ panel A
- panel B
- panel C
- panel D

[Add Question Here](#)

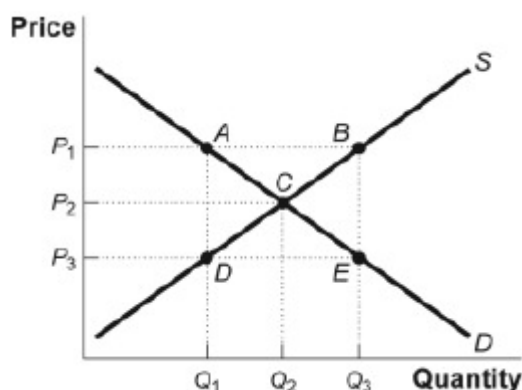
Question 216 **Multiple Choice**

0 points

Modify
Remove

Question

Figure: Supply and Demand in the Orange Juice Market



Reference: Ref 3-17

(Figure: Supply and Demand in the Orange Juice Market) Look at the figure Supply and Demand in the Orange Juice Market. Suppose a hurricane hits Florida, where oranges are grown. What will be the most likely new equilibrium point in the orange juice market?

Answer

✓ A
B
D
E

◀ [Add Question Here](#)

Question 217 Multiple Choice

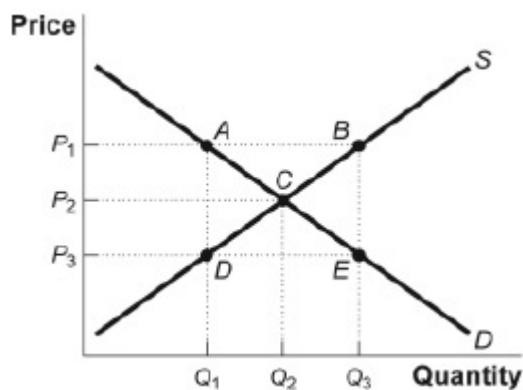
0 points

Modify

Remove

Question

Figure: Supply and Demand in the Orange Juice Market



Reference: Ref 3-17

(Figure: Supply and Demand in the Orange Juice Market) Look at the figure Supply and Demand in the Orange Juice Market. Suppose most people drink orange juice only with champagne. What will be the new equilibrium point in the orange juice market if a law banning alcohol passes?

Answer

A
B
✓ D
E

◀ [Add Question Here](#)

Question 218 Multiple Choice

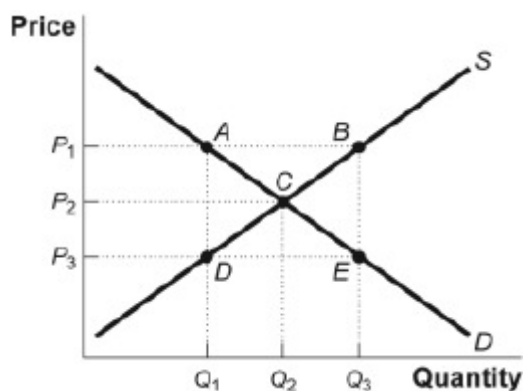
0 points

Modify

Remove

Question

Figure: Supply and Demand in the Orange Juice Market



Reference: Ref 3-17

(Figure: Supply and Demand in the Orange Juice Market) Look at the figure Supply and

Demand in the Orange Juice Market. A reputable scientist asserts in a major scientific publication that drinking orange juice will increase your life span. What will be the most likely new equilibrium point in the orange juice market?

Answer

- A*
☒ *B*
D
E

◀ [Add Question Here](#)

Question 219 **Multiple Choice**

0 points

Modify

Remove

Question

When milk prices increased in 2008, one milk consumer stated that the reason he cut down on milk consumption is so that he could drive his car. This action represents a:

- Answer** ☒ movement along the demand curve for milk.
 movement along the supply curve for milk.
 shift of the demand curve for milk.
 shift of the supply curve for milk.

◀ [Add Question Here](#)

Question 220 **Multiple Choice**

0 points

Modify

Remove

Question

A decrease in the price of eggs will result in:

- Answer** an increase in the demand for eggs.
 an increase in the supply of eggs.
 a shift in the supply curve for eggs.
☒ a movement along the demand curve for eggs.

◀ [Add Question Here](#)

Question 221 **Multiple Choice**

0 points

Modify

Remove

Question

A decrease in the price of a good will result in:

- Answer** an increase in demand.
 an increase in supply.
☒ an increase in the quantity demanded.
 an increase in the quantity supplied.

◀ [Add Question Here](#)

Question 222 **Multiple Choice**

0 points

Modify

Remove

Question

If the price of corn rises, we would expect:

- Answer** the quantity of corn demanded to rise.
☒ the quantity of corn supplied to rise.
 the demand for corn to shift inward.
 the supply of corn to shift outward.

◀ [Add Question Here](#)

Question 223 **Multiple Choice**

0 points

Modify

Remove

Question

Assume that corn is an input in the production of beef but not in the production of pork. Further, beef and pork are substitutes. A decrease in the price of corn will:

Answer

- increase the supply of beef and increase the demand for pork.
- decrease the supply of beef and increase the demand for pork.
- decrease the supply of beef and decrease the demand for pork.
- ✓ increase the supply of beef and decrease the demand for pork.

[◀ Add Question Here](#)Question 224 **Multiple Choice****0 points**

Modify

Remove

Question

The market for soybeans is initially in equilibrium. Because of mad cow disease, producers decide to replace bone meal with soybeans in cattle feed. The likely effect is that:

Answer

- ✓ the equilibrium price and quantity of soybeans will rise.
- the equilibrium price and quantity of soybeans will fall.
- the equilibrium quantity of soybeans will rise, but we can't determine what will happen to the equilibrium price.
- the equilibrium price of soybeans will rise, but we can't determine what will happen to the equilibrium quantity.

[◀ Add Question Here](#)Question 225 **Multiple Choice****0 points**

Modify

Remove

Question

An increase in which of the following determinants of demand will have an ambiguous (uncertain) effect on price?

Answer

- tastes and preferences
- price of a substitute
- price of a complement
- ✓ income

[◀ Add Question Here](#)Question 226 **Multiple Choice****0 points**

Modify

Remove

Question

Which of the following would result in a movement along the demand curve?

Answer

- a change in preferences
- an increase in the number of buyers
- ✓ an increase in the number of suppliers
- a decrease in income

[◀ Add Question Here](#)Question 227 **True/False****0 points**

Modify

Remove

Question

A competitive market occurs when there are many buyers and sellers of the same good.

Answer

- ✓ True
- False

[◀ Add Question Here](#)Question 228 **True/False****0 points**

Modify

Remove

Question

The demand curve for season tickets for the Miami Dolphins is the graphical representation of how many tickets consumers want to buy at any given price.

Answer

✓ True
False

◀ [Add Question Here](#)

Question 229 **True/False**

0 points

Modify

Remove

Question

An increase in demand for good X could be caused by a decrease in the price of X.

Answer

True
✓ False

◀ [Add Question Here](#)

Question 230 **True/False**

0 points

Modify

Remove

Question

The terms *decrease in demand* and *decrease in quantity demanded* can be used interchangeably.

Answer

True
✓ False

◀ [Add Question Here](#)

Question 231 **True/False**

0 points

Modify

Remove

Question

According to the law of demand, if the price of steak increases in Rhode Island, the demand for steak will decrease in Rhode Island.

Answer

True
✓ False

◀ [Add Question Here](#)

Question 232 **True/False**

0 points

Modify

Remove

Question

An increase in income will always shift the demand curve to the right.

Answer

True
✓ False

◀ [Add Question Here](#)

Question 233 **True/False**

0 points

Modify

Remove

Question

If coffee and tea are viewed as substitutes in consumption, then an increase in the price of coffee will increase the demand for tea.

Answer

✓ True
False

◀ [Add Question Here](#)

Question 234 **True/False**

0 points

Modify

Remove

Question

After graduation many students' demand for used cars decreases. This could be because used cars are considered a normal good to college graduates.

Answer

True
✓ False

[◀ Add Question Here](#)Question 235 **True/False****0 points**[Modify](#)
[Remove](#)**Question**

The supply curve for apartments in Oregon reflects how many apartments landlords are willing and able to offer for rent at a specific price.

Answer

✓ True
False

[◀ Add Question Here](#)Question 236 **True/False****0 points**[Modify](#)
[Remove](#)**Question**

An increase in the price of contact lenses will increase the supply of contact lenses.

Answer

True
✓ False

[◀ Add Question Here](#)Question 237 **True/False****0 points**[Modify](#)
[Remove](#)**Question**

A major input into vanilla ice cream is cream. An increase in the price of cream will reduce the quantity of vanilla ice cream supplied, but it will not reduce the supply of vanilla ice cream.

Answer

True
✓ False

[◀ Add Question Here](#)Question 238 **True/False****0 points**[Modify](#)
[Remove](#)**Question**

If the input costs associated with supplying gasoline increases in Wisconsin, the supply of gasoline will decrease in Wisconsin.

Answer

✓ True
False

[◀ Add Question Here](#)Question 239 **True/False****0 points**[Modify](#)
[Remove](#)**Question**

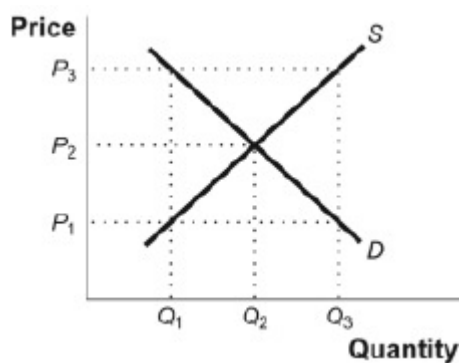
If there is an excess supply of a good, the problem of scarcity does not apply to that good.

Answer

True
✓ False

[◀ Add Question Here](#)Question 240 **True/False****0 points**[Modify](#)
[Remove](#)

Question
Figure: Supply, Demand, and Equilibrium



Reference: Ref 3-18

(Figure: Supply, Demand, and Equilibrium) Look at the figure Supply, Demand, and Equilibrium. In the figure, there will be an excess supply of the good at a price of P_1 .

Answer

True
☒ False

[Add Question Here](#)

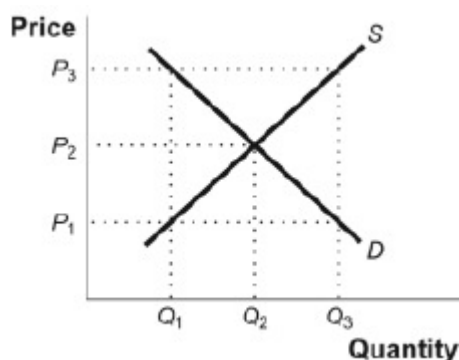
Question 241 **True/False**

0 points

Modify

Remove

Question
Figure: Supply, Demand, and Equilibrium



Reference: Ref 3-18

(Figure: Supply, Demand, and Equilibrium) Look at the figure Supply, Demand, and Equilibrium. In the figure, there will be an excess demand of the good at a price of P_3 .

Answer

True
☒ False

[Add Question Here](#)

Question 242 **True/False**

0 points

Modify

Remove

Question

Suppose there is an excess supply of chemical engineers in India. Over time, the salaries for chemical engineers will fall in India.

Answer

☒ True
☐ False

[◀ Add Question Here](#)

Question 243 True/False

0 points

Modify

Remove

Question

Suppose there is an excess demand for water in Florida. This means that we can expect the price of water to increase in Florida over time.

Answer

✓ True
False

[◀ Add Question Here](#)

Question 244 True/False

0 points

Modify

Remove

Question

If consumer tastes for electric cars increase over the next 10 years, we will see an increase in the demand for electric cars, higher electric car prices, and an increase in the equilibrium quantity of electric cars.

Answer

✓ True
False

[◀ Add Question Here](#)

Question 245 True/False

0 points

Modify

Remove

Question

"In 2008, air travel decreased substantially despite significant reductions in ticket prices." If this information is correct, it indicates that the law of demand did not apply to air travel in 2008.

Answer

True
✓ False

[◀ Add Question Here](#)

Question 246 True/False

0 points

Modify

Remove

Question

If demand decreases and supply increases, the direction of change in the equilibrium quantity is unpredictable unless the relative magnitudes of the demand and supply changes are known.

Answer

✓ True
False

[◀ Add Question Here](#)

Question 247 Essay

0 points

Modify

Remove

Question

Explain the law of demand. What does it tell us about the shape of a demand curve?

Answer The law of demand states that when all other variables are held constant, a higher price of a good will tend to decrease the quantity demanded of that good. Graphically we see this as a downward-sloping demand curve.

[◀ Add Question Here](#)

Question 248 Essay

0 points

Modify

Remove

Question

Why are economists so particular about the difference between an increase in "quantity demanded" and an increase in "demand"? Aren't they the same thing?

Answer No, they are not the same thing. An increase in the quantity demanded implies a downward movement along a given demand curve. The price has fallen and the quantity demanded has increased. An increase in demand implies that the entire demand curve has shifted rightward. This means that at all prices the quantity demanded has increased.

[◀ Add Question Here](#)

Question 249 **Essay**

0 points

Modify

Remove

Question

A small private college increases tuition while a large public university in the same state does not. What will happen to the demand (enrollment) for both schools?

Answer The small college is likely to see a decrease in the quantity demanded for college education at the school. This would be seen as a movement upward along the demand curve. If students see the two schools as substitutes, the demand curve would shift rightward for the large public university.

[◀ Add Question Here](#)

Question 250 **Essay**

0 points

Modify

Remove

Question

How would each of the following events affect the demand for new textbooks?

- a) The price of a used textbook rises.
- b) The price of college tuition rises.
- c) More high school graduates decide to attend college.

Answer a) A used textbook is a substitute for a new textbook. When the used book becomes more expensive, the demand for a new book increases.
b) A college course is a complement with a new textbook. If the price of attending college is rising, the demand for a new textbook decreases.
c) More students in college is an increase in the number of consumers for new textbooks. This increases the demand for books (both new and used).

[◀ Add Question Here](#)

Question 251 **Essay**

0 points

Modify

Remove

Question

Suppose the supply curve for soap bubbles has a slope of +1 and intersects the vertical axis at a price of \$2 per bottle. Interpret the meaning of both the y -intercept and the slope.

Answer The y -intercept at \$2 tells us that there will be zero bottles supplied at prices of \$2 and below. In other words, the price must rise above \$2 for any bottles to be supplied. The slope of +1 tells us that if the price rises \$1, one more bottle of soap bubbles will be supplied.

[◀ Add Question Here](#)

Question 252 **Essay**

0 points

Modify

Remove

Question

How would each of the following events affect the supply of compact cars?

- a) The price of steel rises.
- b) The production technology for car manufacturing improves.
- c) The price of sport utility vehicles falls.

Answer a) Steel is an important input in car production. Higher steel prices would shift the supply curve to the left.
b) Better production technology would shift the supply curve to the right.
c) Producers would see less profit in producing sport utility vehicles, so the supply of compact cars would shift to the right.

[◀ Add Question Here](#)

Question 253 **Essay**

0 points

Modify

Remove

Question

Why do many clothing stores have big after-Christmas sales on their merchandise?

Answer After the holidays, demand for clothing (and all items that make for good gifts) falls. At the pre-Christmas price, there is now a surplus of clothing. Whenever there is a surplus in any market, you see suppliers (or retailers in this case) with unsold inventory. In order to clear the surplus, the price is lowered. More shoppers are enticed by the lower price and the surplus is eliminated.

 [Add Question Here](#)Question 254 **Essay**

0 points

Modify

Remove

Question

You read that college tuition is rising every year, and yet more students attend college every year. Isn't this a violation of the law of demand?

Answer Probably not. Rising tuition and rising college attendance can likely be explained by a series of rightward shifts in the demand curve for college education. If the supply curve is steady, shifting demand along the unchanged supply curve would explain this trend.

 [Add Question Here](#)Question 255 **Essay**

0 points

Modify

Remove

Question

In the Midwestern United States, the price of an ear of corn is always lowest in the summer. This seems odd, because consumers really enjoy eating ears of corn in the summer. Can you explain this?

Answer Even with greater demand for corn in the summer, the supply is quite large. If the price is low in the summer, it must be the case that the supply shift to the right is larger than the demand shift to the right.

 [Add Question Here](#)Question 256 **Essay**

0 points

Modify

Remove

Question

In August 2005, Hurricane Katrina damaged or destroyed oil platforms in the Gulf of Mexico, refineries along the Gulf coast, and the pipeline infrastructure that transports oil and gas to customers across the eastern United States. The winter of 2005 was also unusually cold in many parts of the country. How did these events affect the market for natural gas and heating oil?

Answer The supply of natural gas was severely decreased by Katrina. When the cold winter came, demand for natural gas to heat homes sharply increased. The combination of supply falling and demand rising created a big increase in the equilibrium price of natural gas. The change in equilibrium quantity is uncertain because we don't know the relative size of each shift.

 [Add Question Here](#)Question 257 **Multiple Choice**

0 points

Modify

Remove

Question

Markets that are characterized by many buyers and many sellers are referred to as:

Answer

- inefficient.
- ✓ competitive.
- foreign.
- monopolies.

 [Add Question Here](#)

Question 258 Multiple Choice

0 points

Modify

Remove

Question

Alice goes to the local supermarket to purchase one package of her favorite taco shells. She often pays \$1.50 for a package, but she finds they are on sale for \$1 each. According to the law of demand, one can expect Alice to:

Answer

- ☐ purchase an alternative good.
- ☒ purchase more than one package of taco shells.
- ☐ decide not to purchase taco shells on this visit.
- ☐ buy only one package of taco shells.

[◀ Add Question Here](#)

Question 259 Multiple Choice

0 points

Modify

Remove

Question

When the price of a good increases and the quantity demanded decreases, this is often referred to as:

Answer

- ☐ efficiency.
- ☒ the law of demand.
- ☐ the supply schedule.
- ☐ the production possibilities frontier.

[◀ Add Question Here](#)

Question 260 Multiple Choice

0 points

Modify

Remove

Question

Recent research suggests that certain plastic containers may have cancer-causing elements in them. As a result of this research, one would expect that:

Answer

- ☒ the demand for such containers would decrease.
- ☐ the quantity demanded for such containers might increase.
- ☐ no impact would be observed in this market.
- ☐ the price of the containers would change due to a movement along the demand curve.

[◀ Add Question Here](#)

Question 261 Multiple Choice

0 points

Modify

Remove

Question

Good X and good Y are related goods. If the price of good X increases and the demand for good Y shifts left, these goods are:

Answer

- ☒ complements.
- ☐ substitutes.
- ☐ inferior.
- ☐ normal.

[◀ Add Question Here](#)

Question 262 Multiple Choice

0 points

Modify

Remove

Question

Suppose oranges and clementines are considered to be substitutes. Holding everything else constant, if the price of oranges increases, then the:

Answer

- ☒ demand for clementines will increase.
- ☐ demand for clementines will decrease.

demand for oranges will increase.
demand for oranges will decrease.

◀ [Add Question Here](#)

Question 263 **Multiple Choice**

0 points

Modify

Remove

Question

Good X and good Y are related goods. Holding everything else constant, if the price of X decreases and the demand for Y increases, then this most likely means that X and Y are:

Answer

- ✓ complements.
- substitutes.
- inferior.
- normal.

◀ [Add Question Here](#)

Question 264 **Multiple Choice**

0 points

Modify

Remove

Question

Good X and good Y are substitutes. Holding all other things constant, this means that when the price of good X increases, the:

Answer

- demand for good X will increase.
- ✓ demand for good Y will increase.
- demands for both good X and good Y will both increase.
- demand for good Y will decrease.

◀ [Add Question Here](#)

Question 265 **Multiple Choice**

0 points

Modify

Remove

Question

Holding all other things constant, if ramen noodles are an inferior good to Vanessa, then as her income increases, her demand curve for ramen noodles:

Answer

- ✓ will shift left.
- will shift right.
- will not shift at all.
- may shift left or right, but we're not sure by how much.

◀ [Add Question Here](#)

Question 266 **Multiple Choice**

0 points

Modify

Remove

Question

If Benjamin considers sushi to be a normal good and if his income increases by 20%, his purchases of sushi will:

Answer

- decrease by 20%.
- ✓ increase.
- decrease.
- not change.

◀ [Add Question Here](#)

Question 267 **Multiple Choice**

0 points

Modify

Remove

Question

The demand for a good will increase if:

- Answer** there is a decrease in the price of the good.
 the price of inputs needed in the production of the good decrease.
 ✓ there is an increase in the number of consumers in this market.
 the price of a complementary good increases.

◀ [Add Question Here](#)

Question 268 **Multiple Choice**

0 points

Modify

Remove

Question

A market is composed of three individuals, Nicholas, Benjamin, and Alexander. Their individual demand schedules are given below and are as follows:

Nicholas		Benjamin		Alexander	
Price	Quantity Demanded	Price	Quantity Demanded	Price	Quantity Demanded
1	10	1	15	1	12
2	9	2	11	2	10
3	8	3	9	3	8

Based on this information, which of the following market demand schedules accurately portrays this market?

Answer

Price	Quantity Demanded
1	27
2	35
3	30

Price	Quantity Demanded
1	20
2	15
3	25

Price	Quantity Demanded
1	37
2	30
3	25

Price	Quantity Demanded
1	25
2	30
3	10

◀ [Add Question Here](#)

Question 269 **Multiple Choice**

0 points

Modify

Remove

Question

The horizontal summation of individual demand curves for a particular product, holding the quantity demanded constant, is referred to as:

- Answer** ✓ market demand.
 market supply.
 complements in production.

substitutes in production.

◀ [Add Question Here](#)

Question 270 **Multiple Choice**

0 points

Modify

Remove

Question

Milk is an important ingredient in the production of ice cream. If the price of milk increases, then one would expect, holding all other things constant:

- Answer** ✓ the supply curve for ice cream to shift left.
the supply curve for ice cream to shift right.
no change in the supply curve for ice cream.
a movement along the supply curve for ice cream curve, resulting in more ice cream supplied.

◀ [Add Question Here](#)

Question 271 **Multiple Choice**

0 points

Modify

Remove

Question

High-fructose corn syrup, which is derived from corn, is an important ingredient in the production of many soft drinks. If the price of corn increases, one would expect:

- Answer** ✓ the supply curve for soft drinks to shift left.
the quantity supplied of soft drinks to increase.
the demand for soft drinks to increase.
the supply curve for soft drinks to shift right.

◀ [Add Question Here](#)

Question 272 **Multiple Choice**

0 points

Modify

Remove

Question

All of the following would result in an increase in the supply of a good *except*:

- Answer** a decrease in resource prices.
a beneficial technological change.
an increase in the number of suppliers.
✓ an increase in input prices.

◀ [Add Question Here](#)

Question 273 **Multiple Choice**

0 points

Modify

Remove

Question

A farmer finds that when he produces more corn, he also has more corn stalks that he can sell as decorations. To the farmer, corn and corn stalks are:

- Answer** ✓ complements in production.
substitutes in production.
unrelated goods.
inferior goods.

◀ [Add Question Here](#)

Question 274 **Multiple Choice**

0 points

Modify

Remove

Question

Substitutes in production suggest that a producer with a fixed set of resources initially will need to reduce production of one good when the producer:

- Answer**
- ☐ produces less of the other good.
 - ☒ produces more of the other good.
 - ☐ experiences an increase in resources.
 - ☐ produces more of the other good and when the producer experiences an increase in resources.

[Add Question Here](#)

Question 275 **Multiple Choice**

0 points

Modify

Remove

Question

Researchers find a new strain of genetically modified seeds that results in a higher yield for corn producers. Holding all other things constant, this research will:

- Answer**
- ☐ shift the supply curve for corn left.
 - ☐ increase the quantity supplied of corn.
 - ☐ decrease the quantity supplied of corn.
 - ☒ shift the supply curve for corn to the right.

[Add Question Here](#)

Question 276 **Multiple Choice**

0 points

Modify

Remove

Question

If suppliers expect prices for their product to rise next year, then one would expect:

- Answer**
- ☐ that this will shift the demand curve for the product right this year.
 - ☐ a decrease in the quantity demanded this year.
 - ☒ that this will shift the supply curve for the product to the left this year.
 - ☐ a shift in the supply curve for the product to the right this year.

[Add Question Here](#)

Question 277 **Multiple Choice**

0 points

Modify

Remove

Question

The market for good Y, a perfectly competitive good, is made up of 15 producers who each produce the same amount of good Y. If the price of good Y is currently \$100 and the total quantity supplied is 150, how many units of good Y is each producer supplying?

- Answer**
- ☒ 10
 - ☐ 150
 - ☐ 100
 - ☐ 15

[Add Question Here](#)

Question 278 **Multiple Choice**

0 points

Modify

Remove

Question

When a market is in equilibrium, one will find that the:

- Answer**
- ☐ quantity demanded is equal to zero.
 - ☒ quantity demanded is equal to quantity supplied.
 - ☐ quantity demanded is greater than quantity supplied.
 - ☐ quantity supplied is zero.

[Add Question Here](#)

Question 279 **Multiple Choice**

0 points

Modify

Remove

Question**Table: Competitive Market for Good Z**

Price	Quantity Demanded	Quantity Supplied
0	50	0
5	40	15
10	30	30
15	20	45
20	10	60

Reference: Ref 3-19

(Table: Competitive Market for Good Z) Look at the table Competitive Market for Good Z. If the current price of good Z is \$15, there will be:

- Answer**
- ☐ excess demand of 25 units.
 - ☒ excess supply of 25 units.
 - ☐ a shortage of 20 units.
 - ☐ a surplus of 45 units.

[◀ Add Question Here](#)
Question 280 **Multiple Choice****0 points**

Modify

Remove

Question**Table: Competitive Market for Good Z**

Price	Quantity Demanded	Quantity Supplied
0	50	0
5	40	15
10	30	30
15	20	45
20	10	60

Reference: Ref 3-19

(Table: Competitive Market for Good Z) Look at the table Competitive Market for Good Z. A surplus of the good will occur at a price of _____.

- Answer**
- ☐ \$0
 - ☐ \$5
 - ☐ \$10
 - ☒ \$15

[◀ Add Question Here](#)
Question 281 **Multiple Choice****0 points**

Modify

Remove

Question

Table: Competitive Market for Good Z

Price	Quantity Demanded	Quantity Supplied
0	50	0
5	40	15
10	30	30
15	20	45
20	10	60

Reference: Ref 3-19

(Table: Competitive Market for Good Z) Look at the table Competitive Market for Good Z. The equilibrium price and quantity in this market are, respectively:

- Answer**
- \$5 and 40 units.
 - \$20 and 60 units.
 - ✓ \$10 and 30 units.
 - \$15 and 20 units.

◀ [Add Question Here](#)Question 282 **Multiple Choice****0 points**
 Modify
Remove
Question**Table: Competitive Market for Good Z**

Price	Quantity Demanded	Quantity Supplied
0	50	0
5	40	15
10	30	30
15	20	45
20	10	60

Reference: Ref 3-19

(Table: Competitive Market for Good Z) Look at the table Competitive Market for Good Z. If the demand curve for good Z is linear, it can be expressed as:

- Answer**
- $Q_d = 3P.$
 - ✓ $Q_d = 50 - 2P.$
 - $Q_d = Q_s.$
 - $Q_d = 100 - 2P.$

◀ [Add Question Here](#)Question 283 **Multiple Choice****0 points**
 Modify
Remove
Question

Table: Competitive Market for Good Z

Price	Quantity Demanded	Quantity Supplied
0	50	0
5	40	15
10	30	30
15	20	45
20	10	60

Reference: Ref 3-19

(Table: Competitive Market for Good Z) Look at the table Competitive Market for Good Z. If the supply curve for good Z is linear, it can be expressed as:

Answer

✓ $Q_s = 3P$

$Q_s = 50 - 2P$

$Q_s = 100 - 2P$

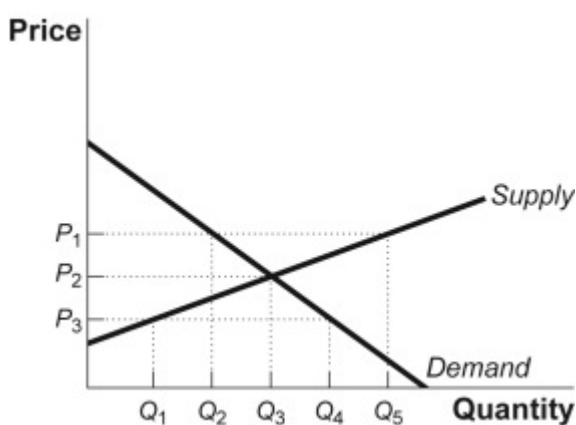
$Q_s = Q_d$

[Add Question Here](#)Question 284 **Multiple Choice**

0 points

Modify

Remove

Question**Figure: The Market for Candy**

Reference: Ref 3-20

(Figure: The Market for Candy) Look at the figure The Market for Candy. Equilibrium occurs at a price of _____, and the equilibrium quantity is equal to _____.

Answer

$P_1; Q_5$

✓ $P_2; Q_3$

$P_3; Q_2$

$P_1; Q_3$

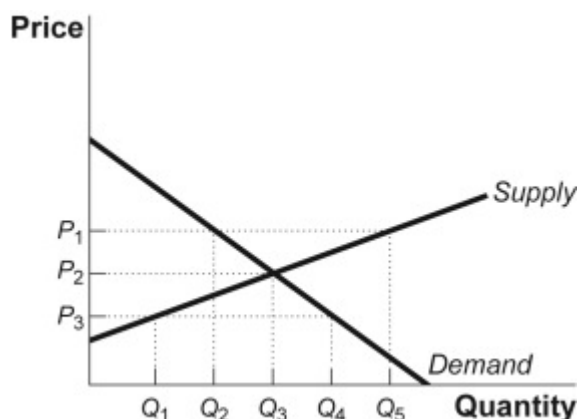
[Add Question Here](#)Question 285 **Multiple Choice**

0 points

Modify

Remove

Question
Figure: The Market for Candy



Reference: Ref 3-20

(Figure: The Market for Candy) Look at the figure The Market for Candy. A surplus of the good will exist at a price of:

Answer

✓ P_1 .

P_2 .

P_3 .

There are no surpluses in this market.

◀ [Add Question Here](#)

Question 286 **Multiple Choice**

0 points

Modify

Remove

Question

Suppose the demand curve for good Z is downward sloping. If the price of good Z decreases because of a shift in the supply of good Z, this will cause:

Answer

an increase in the demand for good Z.

✓ a movement along the demand curve of good Z.

no effect on the quantity demanded of good Z.

fewer people to purchase good Z.

◀ [Add Question Here](#)

Question 287 **Multiple Choice**

0 points

Modify

Remove

Question

Suppose people expect the price of MP3 players to rise next year. As a result of this expectation, people will most likely:

Answer

purchase fewer MP3 players this year.

✓ observe higher prices for MP3 players this year.

purchase the same amount of MP3 players, since this expectation will have no effect on consumers this year.

decide to wait and purchase the MP3 players next year.

◀ [Add Question Here](#)

Question 288 **Multiple Choice**

0 points

Modify

Remove

Question

An increase in the price of sugar (an ingredient for soft drinks) and an increased concern about tooth decay caused by the consumption of soft drinks will result in which of the

following in the soft drink market?

- Answer**
- There will be an increase in both the equilibrium price and quantity.
 - ✓ Equilibrium quantity will decrease, but equilibrium price may decrease, increase, or stay the same.
 - There will be a decrease in both equilibrium price and quantity.
 - Equilibrium quantity will increase, but equilibrium price may decrease, increase, or stay the same.

◀ [Add Question Here](#)

Question 289 **Multiple Choice**

0 points

Modify

Remove

Question

An increase in the price of wheat, an important ingredient in the production of bread, combined with an increase in the number of people consuming bread, will result in which of the following changes in the bread market?

- Answer**
- Both the equilibrium price and quantity will increase.
 - Equilibrium quantity will decrease, but equilibrium price may decrease, increase, or stay the same.
 - Both the equilibrium price and quantity will decrease.
 - ✓ Equilibrium price will increase, but equilibrium quantity may decrease, increase, or stay the same.

◀ [Add Question Here](#)

Question 290 **Multiple Choice**

0 points

Modify

Remove

Question

Gasoline, a derivative of oil, is a large part of transportation costs for many producers. If the price of oil increases at the same time that incomes fall for many consumers, one would expect the equilibrium price of many normal goods to _____, while their equilibrium quantities would _____.

- Answer**
- fall; rise
 - ✓ fall, rise, or stay the same; decrease
 - decrease; fall, rise, or stay the same
 - fall; fall

◀ [Add Question Here](#)

Question 291 **Multiple Choice**

0 points

Modify

Remove

Question

Rice and potatoes are substitutes. If the price of rice rises and there is a bumper crop of potatoes, in the market for potatoes one would expect the:

- Answer**
- ✓ equilibrium price to rise, fall, or stay the same and equilibrium quantity to rise.
 - equilibrium price to rise and the equilibrium quantity to fall.
 - equilibrium price and quantity both to fall.
 - equilibrium price to rise and the equilibrium quantity to fall, rise, or stay the same.

◀ [Add Question Here](#)

Question 292 **Multiple Choice**

0 points

Modify

Remove

Question

A beneficial technological change enhances the production of cranberries. At the same time, scientists discover the health benefits of cranberries. This will result in:

- Answer**
- an increase in both the equilibrium price and quantity in the cranberry market.
 - ✓ an increase in the equilibrium quantity and an uncertain impact on the equilibrium price of cranberries.
 - a decrease in both the equilibrium price and quantity in the cranberry market.
 - a decrease in the equilibrium price and an uncertain impact on the equilibrium quantity of cranberries.

◀ [Add Question Here](#)

Question 293 **Multiple Choice**

0 points

Modify

Remove

Question

The market demand for singing dolls is initially made up of 50 buyers. Suppose there is a decrease in the number of buyers by 10. Holding everything else constant, one would expect:

- Answer**
- the supply curve to shift left.
 - the quantity supplied to increase.
 - the supply curve to shift right.
 - ✓ the quantity supplied to decrease.

◀ [Add Question Here](#)

OK