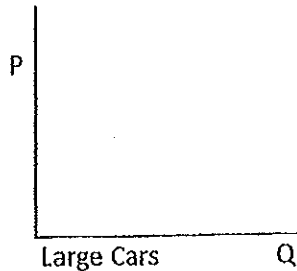NAME: _____ CLASS: _____

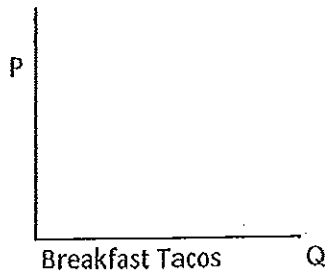# DEMAND / ELASTICITY /SUPPLY QUIZ

Graph the following curves, using the reasons provided, be sure to label completely

Reasons: Substitution   Complimentary goods   Price   Price of Resources

P |

|_____
Large Cars   Q

The price of gasoline increases $1 a gallon.
Will this cause ΔD or ΔQD

Reason _____

P |

|_____
Breakfast Tacos   Q

The price of breakfast tacos increases from $1.50 to $2.50
Will this cause ΔD or ΔQD

Reason _____

Determine elasticity of demand for the the following scenarios- label elastic, inelastic, or unitary - and provide numerical value

The price of breakfast tacos increases from $1 to $2. the number of tacos sold falls from 20 to 15 per hour.

Ticket prices rise from $8 to $9, and the attendance at the Saturday night showing drops from 200 to 170.

1. Demand sensitive to a change in price
A. inelastic   B. elastic   C. unitary   D. inferior good

2. Demand not very sensitive to change in price
A. inelastic   B. elastic   C. unitary   D. inferior good

3. Which of the following is not a factor that affects elasticity
A. availability of substitutions
B. change over time
C. relative importance
D. value of elasticity

4. The _____ determines how a change in prices will affect a firm's total revenue or income.
A. unitary demand   B. inelasticity of demand   C. elasticity of demand   D. marginal cost

5. An item is always inelastic or elastic
A. this statement is false items can change from inelastic to elastic or elastic to inelastic
B. this is true items elasticity can change if they are produced at a higher quality or larger amounts
C. I have no idea if this statement is true or false and more than likely will miss this one
D. this is at true statement items don't change their elasticity

The price of dinner at Threadgills Restaurant drops.

20._____   A. ΔD   B. ΔQD   C. ΔS   D. ΔQS

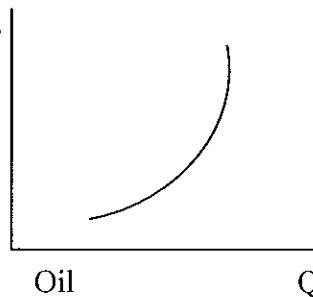21._____ Reason for Change? (from box above)

P
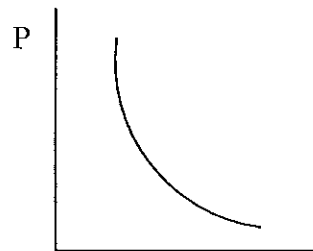
Dinner at Shady Grove Restaurant   Q

Hurricane Kathrine destroys oil production in the Gulf of Mexico. P

22._____   A. ΔD   B. ΔQD   C. ΔS   D. ΔQS

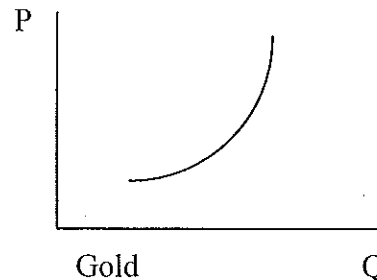23._____ Reason for Change? (from box above)

Oil   Q

Gold is expected to decrease in value in the coming months.   P

24._____   A. ΔD   B. ΔQD   C. ΔS   D. ΔQS

25._____ Reason for Change? (from box above)

Gold   Q