

Reading Check
Chapter 4 Sec 3

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