

# [Course work](https://assignbuster.com/course-work/)

1How will the market supply curve of a good shift (i. e left , right or no shift) in each of the following cases? (a) Costs of producing the good fall.................................................... left /right / no shift (b) Alternative products (in supply) become more profitable........... left /right / no shift (c) The price of the good rises .......................................................... left /right / no shift (d) Firms anticipate that the price of the good is about to fall.......... left /right / no shift How will the following changes affect the market price of wheat flour (assuming that the market is initially in equilibrium )? In each case, sketch what happens to the demand and /or supply curves and, as result, what happens to the equilibrium price. (a) People consume more bread Price S1 P1 D1Quantity Q1 (b) The discovery of a new cheaper way of milling flour Price S1 P1 D1Quantity Q1 (c) The prices of other grains rise Price S1 P1 D1Quantity Q1 d)Rise and potatoes fall in price Price S1 P1 D1Quantity Q1 3 The effect of an increase in demand on equilibrium price and quantity, when supply remains unchanged is to A) Increase both equilibrium price and quantity B) Increase both equilibrium price only C) Increase equilibrium quantity only D) Decrease equilibrium price E) Decrease equilibrium quantity 4 the effect of both an increase in demand and a decrease in supply on market equilibrium is to A) Decrease equilibrium price B) Increase equilibrium price

C) Decrease equilibrium price and decrease equilibrium quantity D) Leave the equilibrium price and equilibrium quantity unxhanged 5 if the price equilibrium is 4? at the price of 6? A) The market is in stable equilibrium B) A shortage occurs C) A black market may exist D) A surplus occurs E) The market is unstable equilibrium 6 which of these variables is not held constant (ceteris paribus) when we draw the supply curve for apples? A) Price of pears B) Price of resources or factors of production C) Price of apples D) Producer’s tasters E) State of technology