

Course work



1 How 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