

## iClicker Pop Quiz 4

### Modules 9 – 10

Instructor: Joseph Navelski  
Teaching Assistant: Nabittun Nahar

WSU

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## Question 1

**An economic signal is**

- (a) some information that helps people to make better decisions economically.
- (b) a "lemon."
- (c) a measure of how efficient an economy is.
- (d) the ability for an owner to choose to do whatever they want with the goods that they own so that they can better themselves off.

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## Question 2

**Market failure refers to a situation in which:**

- (a) markets fail to reach a fair outcome.
- (b) markets establish a high price for necessities.
- (c) market-determined wages are not high enough to raise all workers above the poverty line.
- (d) markets fail to reach an efficient outcome.

## Question 2

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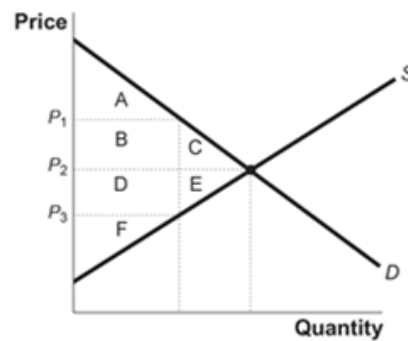
- (a) markets fail to reach a fair outcome.
- (b) markets establish a high price for necessities.
- (c) market-determined wages are not high enough to raise all workers above the poverty line.
- (d) **markets fail to reach an efficient outcome.**

## Question 3

Refer to Figure: Change in Total Surplus. Which areas represent the change in total surplus when the price falls from  $P_2$  to  $P_3$ ?

Figure: Change in Total Surplus

Figure: Change in the Total Surplus



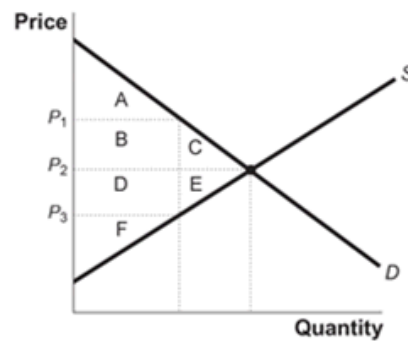
- (a) A, B, and C
- (b) B and C
- (c) B, C, D, and E
- (d) C and E

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- (b) B and C
- (c) B, C, D, and E
- (d) **C and E**

## Question 4

**If a frost destroys much of the grapefruit crop, assuming a positively sloped supply curve and a negatively sloped demand curve, total surplus in the grapefruit market:**

- (a) will increase
- (b) will decrease
- (c) will not change



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## Question 5

Suppose that policy makers, for any number of reasons, are worried about the price of chicken becoming too high. The graph of the market for chicken is shown. What type of price control would policy makers use to keep the price of chicken from getting too high?



- (a) a price ceiling
- (b) a price floor
- (c) a price wall

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## Question 6

Suppose that the government does implement the appropriate price control you selected previously. Which of these prices would be binding?



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- (b) 6 dollars
- (c) 7 dollars

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## Question 7

The table contains the demand and supply schedule for apartments in a city. Suppose the city council feels that the equilibrium rent is too high and imposes a price ceiling of 750 dollars/month. The price ceiling results in a

Rent/month	Quantity demanded	Quantity supplied
\$1,750	300	4800
\$1,500	600	2400
\$1,250	1200	1200
\$1,000	2400	600
\$750	4800	300

- (a) surplus
- (b) shortage

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The city now has a shortage or surplus of how many apartments?

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\$1,000	2400	600
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- (a) 4500
- (b) 5000
- (c) 5500
- (d) 6000



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- (d) 6000

## Question 9

Garret is an undergraduate looking for a job to pay for college. As Garret seeks employment, he is glad to know that he will be paid at least 7.25 dollars per hour.

Select the term that best fits the scenario when describing the minimum amount Garret will get paid for his labor

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- (b) license
- (c) quota
- (d) price ceiling

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