

# Homework (chapter 4)

<b>Due</b> Feb 3 at 11:59pm	<b>Points</b> 20	<b>Questions</b> 20
<b>Available</b> until Feb 3 at 11:59pm	<b>Time Limit</b> None	<b>Allowed Attempts</b> 2

## Instructions

This required homework assignment covers material from chapter 4.

Homework answers may be saved and returned to, as long as it is within the deadline. To do so, remember to save your responses before leaving the Canvas website, and do not click on the “Submit” button (or Canvas will automatically grade your assignment and you will have no way of changing your answers). If you start the quiz before the deadline but do not finish by the deadline, Canvas will submit the homework for you at the deadline.

## Attempt History

	Attempt	Time	Score
KEPT	<a href="#">Attempt 2</a>	2 minutes	20 out of 20
LATEST	<a href="#">Attempt 2</a>	2 minutes	20 out of 20
	<a href="#">Attempt 1</a>	7 minutes	18 out of 20

⚠️ Correct answers will be available on Feb 4 at 12am.

Score for this attempt: **20** out of 20  
Submitted Jan 28 at 11:18pm  
This attempt took 2 minutes.

Question 1

1 / 1 pts

The term price takers refers to buyers and sellers in

☒ perfectly competitive markets.

☐ monopolistic markets.

☐ markets that are regulated by the government.



markets in which buyers cannot buy all they want and/or sellers cannot sell all they want.

## Question 2

1 / 1 pts

In competitive markets,

- ☒ firms produce identical products.
- ☐ buyers can influence the market price more easily than sellers.
- ☐ markets are more likely to be in equilibrium.
- ☐ sellers are price setters.

## Question 3

1 / 1 pts

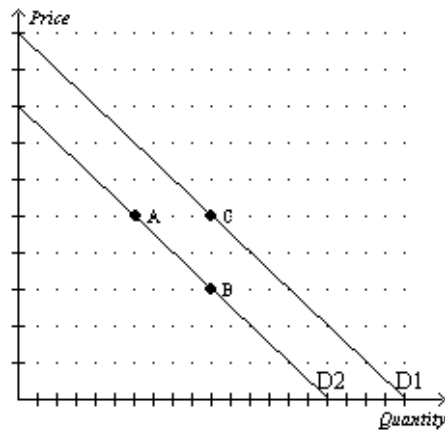
If a good is normal, then an increase in income will result in a(n)

- ☒ increase in the demand for the good.
- ☐ decrease in the demand for the good.
- ☐ movement down and to the right along the demand curve for the good.
- ☐ movement up and to the left along the demand curve for the good.

## Question 4

1 / 1 pts

**Figure 4-8**



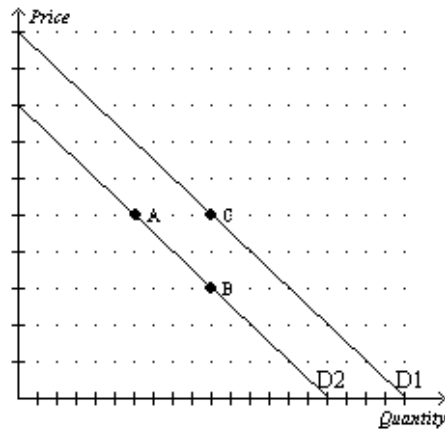
**Refer to Figure 4-8.** Suppose the figure shows the market demand for laptop computers. Suppose the price of wireless keyboards, a complementary good, increases. Which of the following changes would occur?

- ☐ a movement along D2 from point A to point B
- ☐ a movement along D2 from point B to point A
- ☒ a shift from D1 to D2
- ☐ a shift from D2 to D1

### Question 5

1 / 1 pts

**Figure 4-8**



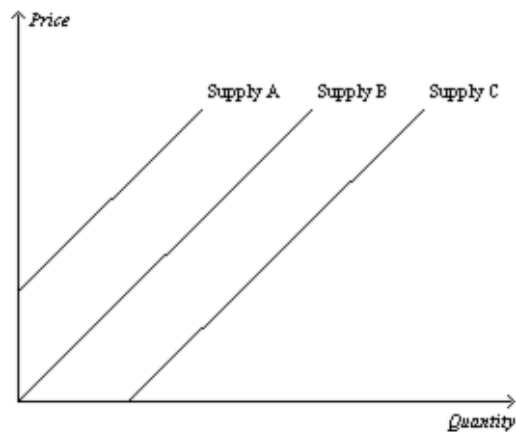
**Refer to Figure 4-8.** Suppose the figure shows the market demand for coffee. Suppose the price of tea, a substitute good, increases. Which of the following changes would occur?

- ☐ a movement along D2 from point A to point B
- ☐ a movement along D2 from point B to point A
- ☐ a shift from D1 to D2
- ☒ a shift from D2 to D1

## Question 6

1 / 1 pts

**Figure 4-15**



**Refer to Figure 4-15.** Which of the following would cause the supply curve to shift from Supply B to Supply A in the market for beer?

- ☐ a decrease in the price of beer
- ☒ an expectation by firms that the price of beer will increase in the very near future
- ☐ a decrease in the price of hops
- ☐ an improvement in technology that allows firms to use less labor in the production of beer

### Question 7

1 / 1 pts

The unique point at which the supply and demand curves intersect is called

- ☐ market harmony.
- ☐ coincidence.
- ☐ equivalence.
- ☒ equilibrium.

### Question 8

1 / 1 pts

At the equilibrium price, the quantity of the good that buyers are willing and able to buy

- ☐ is greater than the quantity that sellers are willing and able to sell.

- ☒ exactly equals the quantity that sellers are willing and able to sell.
- ☐ is less than the quantity that sellers are willing and able to sell.
- ☐ Either a) or c) could be correct.

### Question 9

1 / 1 pts

When supply and demand both increase, equilibrium

- ☐ price will increase.
- ☐ price will decrease.
- ☐ quantity may increase, decrease, or remain unchanged.
- ☒ price may increase, decrease, or remain unchanged.

### Question 10

1 / 1 pts

**Table 4-9**

	An Increase in Supply	A Decrease in Supply
An Increase in Demand	A	B
A Decrease in Demand	C	D

**Refer to Table 4-9.** Which combination would produce a decrease in equilibrium quantity and an indeterminate change in equilibrium price?

- ☐ A

☐ B

☐ C

☒ D

### Question 11

1 / 1 pts

**Table 4-10**

The following table shows the number of cases of water each seller is willing to sell at the prices listed.

Price per case	Alpine Springs	Brook Mountain	Cascade Waters	Dew Good
\$0.00	0 cases	0 cases	0 cases	0 cases
\$3.00	100 cases	40 cases	60 cases	100 cases
\$6.00	200 cases	80 cases	120 cases	200 cases
\$9.00	300 cases	120 cases	180 cases	300 cases

**Refer to Table 4-10.** If the four suppliers listed are the only suppliers in this market and the market demand schedule is:

Price	Quantity Demanded
\$0.00	1200
\$3.00	900
\$6.00	600
\$9.00	300

the equilibrium price and quantity are

☐ \$0.00 and 1200 cases

☐ \$3.00 and 300 cases

☒ \$6.00 and 600 cases

☐ \$9.00 and 600 cases

## Question 12

1 / 1 pts

A surplus exists in a market if

☐ there is an excess demand for the good.

☐ quantity demanded exceeds quantity supplied.

☒ the current price is above its equilibrium price.

☐ All of the above are correct.

## Question 13

1 / 1 pts

A shortage exists in a market if

☐ there is an excess supply of the good.

☐ quantity supplied exceeds quantity demanded.

☒ the current price is below its equilibrium price.

☐ All of the above are correct.



### Question 14

1 / 1 pts

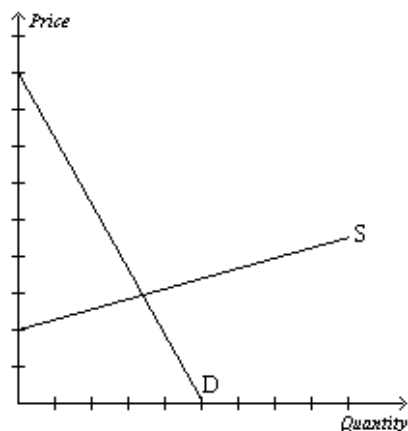
If macaroni and cheese is an inferior good, what would happen to the equilibrium price and quantity of macaroni and cheese if consumers' incomes rise?

- ☐ Both the equilibrium price and quantity would increase.
- ☒ Both the equilibrium price and quantity would decrease.
- ☐ The equilibrium price would increase, and the equilibrium quantity would decrease.
- ☐ The equilibrium price would decrease, and the equilibrium quantity would increase.

### Question 15

1 / 1 pts

**Figure 4-23**



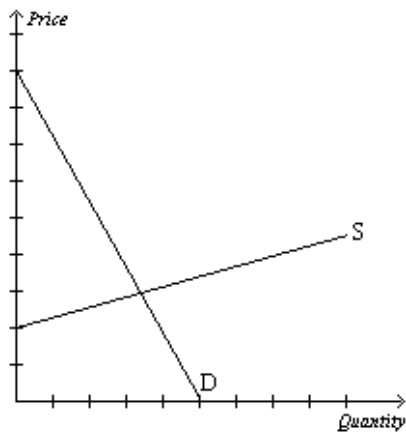
**Refer to Figure 4-23.** In this market for watermelons, a severe drought occurs which affects the watermelon crop. The equilibrium price

- ☒ increases and the equilibrium quantity decreases.
- ☐ decreases and the equilibrium quantity is ambiguous.
- ☐ and quantity both increase.
- ☐ and quantity both decrease.

### Question 16

1 / 1 pts

**Figure 4-23**



**Refer to Figure 4-23.** In this market for sunscreen, there is a decrease in the price of zinc oxide, an input into sunscreen, and more producers enter the market. The equilibrium price

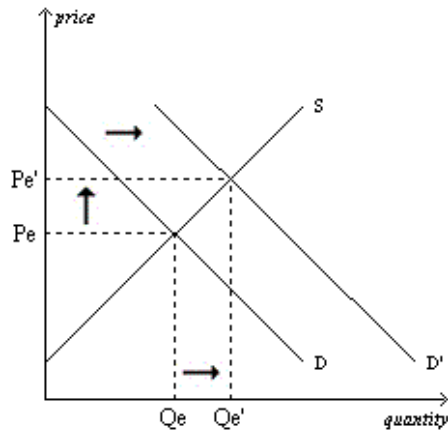
- ☐ increases and the equilibrium quantity decreases.
- ☒ decreases and the equilibrium quantity increases.
- ☐ is ambiguous and the equilibrium quantity increases.
- ☐ decreases and the equilibrium quantity is ambiguous.

## Question 17

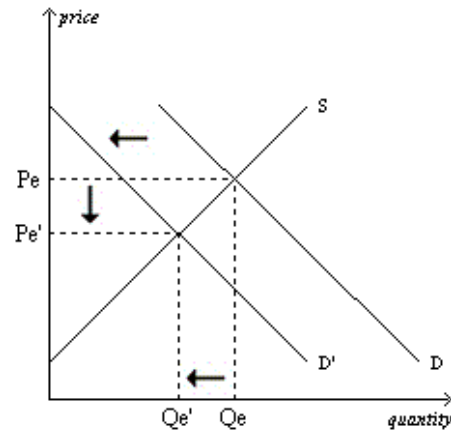
1 / 1 pts

Figure 4-27

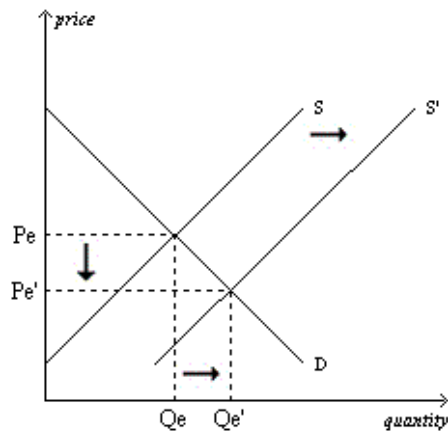
Panel (a)



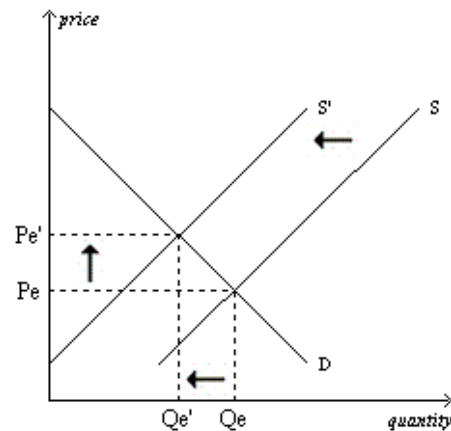
Panel (b)



Panel (c)



Panel (d)



Refer to Figure 4-27. Which of the four panels represents the market for cars as a result of the adoption of new technology on assembly lines?

☐ Panel (a)

☐ Panel (b)

☒ Panel (c)

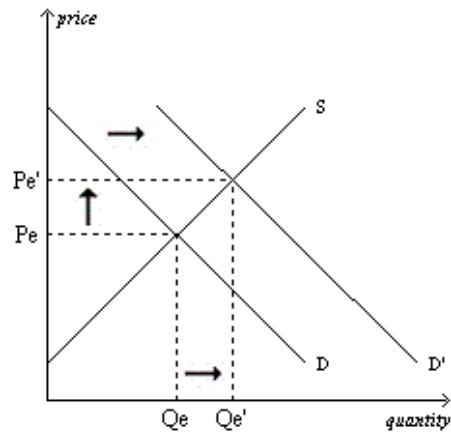
☐ Panel (d)

## Question 18

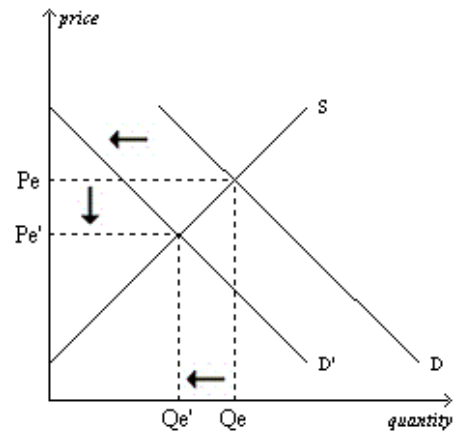
1 / 1 pts

Figure 4-27

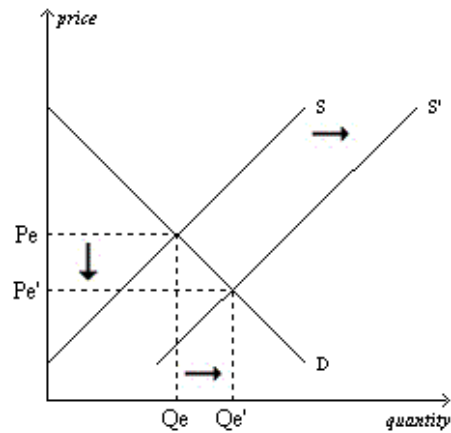
Panel (a)



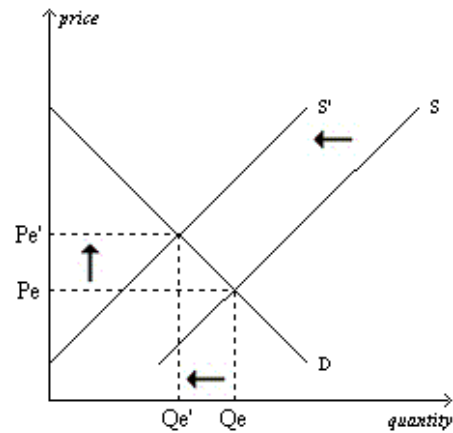
Panel (b)



Panel (c)



Panel (d)



Refer to Figure 4-27. Which of the four panels represents the market for peanut butter after a major hurricane hits the peanut-growing south?

☐ Panel (a)

☐ Panel (b)

☐ Panel (c)

- ☒ Panel (d)

### Question 19

1 / 1 pts

The law of demand states that, other things equal, when the price of a good rises, the quantity demanded of the good rises, and when the price falls, the quantity demanded falls.

☐ True

☒ False

### Question 20

1 / 1 pts

The law of supply states that, other things equal, when the price of a good rises, the quantity supplied of the good falls.

☐ True

☒ False

Quiz Score: **20** out of 20