Homework (chapter 5)

Due Feb 3 at 11:59pm **Points** 20 **Questions** 20
Available until Feb 3 at 11:59pm **Time Limit** None **Allowed Attempts** 2

Instructions

This required homework assignment covers material from chapter 5.

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.

Take the Quiz Again

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	20 minutes	20 out of 20

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

Score for this attempt: **20** out of 20
Submitted Feb 2 at 2:19pm
This attempt took 20 minutes.

Question 1 1 / 1 pts

Elasticity is

- (selected) a measure of how much buyers and sellers respond to changes in market conditions.
- the study of how the allocation of resources affects economic well-being.

- the maximum amount that a buyer will pay for a good.
- the value of everything a seller must give up to produce a good.

Question 2

1 / 1 pts

The price elasticity of demand measures

- buyers’ responsiveness to a change in the price of a good.
- the extent to which demand increases as additional buyers enter the market.
- how much more of a good consumers will demand when incomes rise.
- the movement along a supply curve when there is a change in demand.

Question 3

1 / 1 pts

Demand is said to be price elastic if

- the price of the good responds substantially to changes in demand.
- demand shifts substantially when income or the expected future price of the good changes.
- buyers do not respond much to changes in the price of the good.
- buyers respond substantially to changes in the price of the good.

Question 4

1 / 1 pts

Demand is said to be inelastic if

- buyers respond substantially to changes in the price of the good.
- demand shifts only slightly when the price of the good changes.
- the quantity demanded changes only slightly when the price of the good changes.
- the price of the good responds only slightly to changes in demand.

Question 5

1 / 1 pts

Table 5-1

Good	**Price Elasticity of Demand**
A	1.9
B	0.8

Refer to Table 5-1. Which of the following is consistent with the elasticities given in Table 5-1?

- A is a luxury and B is a necessity.
- A is a good after an increase in income and B is that same good after a decrease in income.
- A has fewer substitutes than B.

A is a good immediately after a price increase and B is that same good 3 years after the price increase.

Question 6

1 / 1 pts

Table 5-1

Good	Price Elasticity of Demand
A	1.9
B	0.8

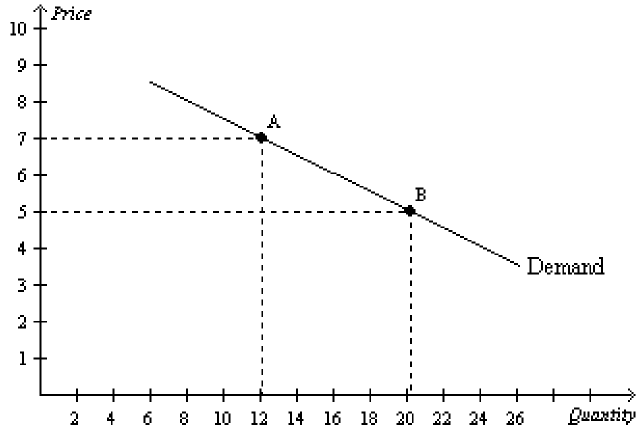
Refer to Table 5-1. Which of the following is consistent with the elasticities given in Table 5-1?

- A is laundry detergent and B is Tide.
- A is Diet Pepsi and B is soda.
- A is food and B is a yacht.
- A is toilet paper and B is candles.

Question 7

1 / 1 pts

Figure 5-1



Refer to Figure 5-1. Between point A and point B, the slope is equal to

- -1/4, and the price elasticity of demand is equal to 2/3.
- -1/4, and the price elasticity of demand is equal to 3/2.
- -3/2, and the price elasticity of demand is equal to 1/4.
- -2/3, and the price elasticity of demand is equal to 3/2.

Question 8

1 / 1 pts

A perfectly elastic demand implies that

- buyers will not respond to any change in price.
- any rise in price above that represented by the demand curve will result in a quantity demanded of zero.
- quantity demanded and price change by the same percent as we move along the demand curve.

price will rise by an infinite amount when there is a change in quantity demanded.

Question 9

1 / 1 pts

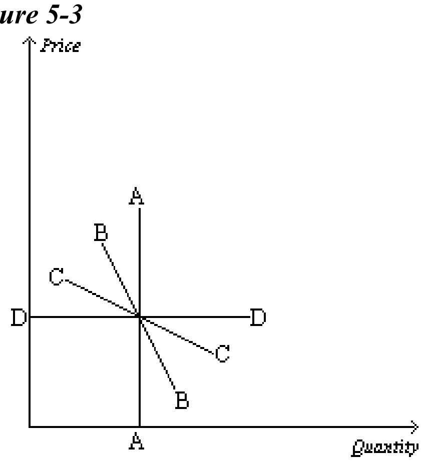
A perfectly inelastic demand implies that buyers

- decrease their purchases when the price rises.
- purchase the same amount as before when the price rises or falls.
- increase their purchases only slightly when the price falls.
- respond substantially to an increase in price.

Question 10

1 / 1 pts

Figure 5-3



Refer to Figure 5-3. Which demand curve is perfectly elastic?

A

B

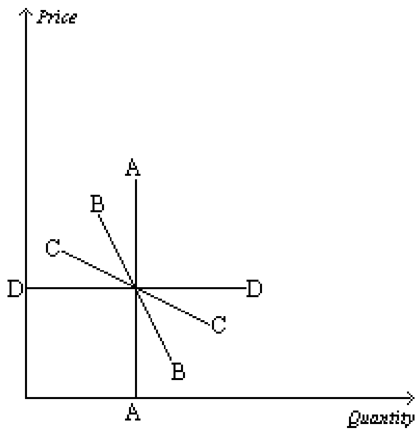
C

D

Question 11

1 / 1 pts

Figure 5-3



Refer to Figure 5-3. Which demand curve is perfectly inelastic?

A

B

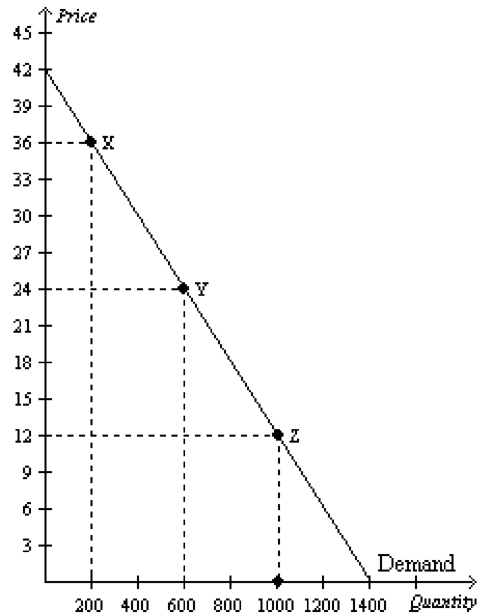
C

D

Question 12

1 / 1 pts

Figure 5-12



Refer to Figure 5-12. If the price decreased from $36 to $12, total revenue would

- increase by $4,800, and demand is elastic between points X and Z.
- increase by $7,200, and demand is elastic between points X and Z.
- decrease by $4,800, and demand is inelastic between points X and Z.
- decrease by $7,200, and demand is inelastic between points X and Z.

Question 13

1 / 1 pts

Table 5-8

Income	Quantity of Good X Purchased	Quantity of Good Y Purchased
$30,000	2	20
$40,000	6	10

Refer to Table 5-8. Using the midpoint method, what is the income elasticity of demand for good X?

- -3.5
- -0.29
- 0.29
- 3.5

Question 14

1 / 1 pts

Table 5-8

Income	Quantity of Good X Purchased	Quantity of Good Y Purchased
$30,000	2	20
$40,000	6	10

Refer to Table 5-8. Using the midpoint method, the income elasticity of demand for good Y is

- 2.33, and good Y is a normal good.
- -2.33, and good Y is an inferior good.
- -0.43, and good Y is a normal good.
- -0.43, and good Y is an inferior good.

Question 15

1 / 1 pts

If the cross-price elasticity of demand for two goods is 1.25, then

- the two goods are luxuries.

- the two goods are substitutes.
- one of the goods is normal and the other good is inferior.
- the demand for one of the goods conforms to the law of demand, but the demand for the other good violates the law of demand.

Question 16

1 / 1 pts

If the cross-price elasticity of demand for two goods is -4.5, then

- the two goods are substitutes.
- the two goods are complements.
- one of the goods is normal while the other good is inferior.
- one of the goods is a luxury while the other good is a necessity.

Question 17

1 / 1 pts

The price elasticity of supply measures how much

- the quantity supplied responds to changes in input prices.
- the quantity supplied responds to changes in the price of the good.
- the price of the good responds to changes in supply.
- sellers respond to changes in technology.

Question 18

1 / 1 pts

A key determinant of the price elasticity of supply is the

- number of close substitutes for the good in question.
- extent to which buyers alter their quantities demanded in response to changes in prices.
- length of the time period.
- extent to which buyers alter their quantities demanded in response to changes in their incomes.

Question 19

1 / 1 pts

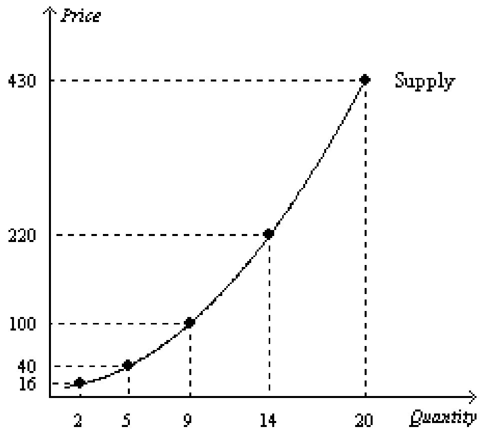
A key determinant of the price elasticity of supply is

- the ability of sellers to change the price of the good they produce.
- the ability of sellers to change the amount of the good they produce.
- how responsive buyers are to changes in sellers' prices.
- the slope of the demand curve.

Question 20

1 / 1 pts

Figure 5-14



Refer to Figure 5-14. Using the midpoint method, what is the price elasticity of supply between $16 and $40?

- 0.125
- 0.86
- 1.0
- 2.5

Quiz Score: **20** out of 20