

# PRICE THEORY I TFUS

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1. Wages are low in San Diego CA because of all of the illegal immigration.
2. If teachers were to become more effective, more people would go to school.
3. A durable goods market adjusts more rapidly to changes in demand when the durable good has a high depreciation rate.
4. Rice is an inferior good.
5. The demand for assembled toys is less price elastic than the demand for toys that customers have to assemble.
6. Physicians work long hours because they are burdened with their medical-school debts.
7. The benefit to a consumer of a price cut depends only on the amount he consumes of the good, and not for his willingness to substitute from other goods.
8. A rational patient who understands that her expert and diligent physician is genuinely concerned about her health will obey her physician's instructions regarding her medications.
9. The individual-level and marketwide price elasticity of demand for Microsoft Excel are essentially the same because market demand is the sum of individual demands.
10. Reductions in the quantity index for the consumption of cigarette products indicate that the population is smoking less over time.