

Midterm Exam Review

Coverage*: Week #1 - #5

Format: 25 multiple-choice questions (Wrong questions have **NO EFFECT** on the correct ones.)

*For exact coverage of topics, please see lecture slides (slide #2 for each PowerPoint files).

Remember to bring a #2 pencil to the Exam.

If you miss any of the exams for a university-approved reason, you are responsible for providing official documentation that supports your excused absence. For detailed guidance on excused absences, please see the [university's webpage](#).

This is **NOT** a comprehensive list of **ALL** material that has been covered. Rather, it has been developed to make sure that you are familiar with the main concepts that we have covered in the class.

My advice: (At Least)

- Learn the vocabulary and key concepts. For example, understand the differences between terms such as normal goods and inferior goods, marginal cost and marginal benefit, macroeconomics and microeconomics, demand and the quantity demanded, and etc.
- Don't memorize definitions of concepts but learn how to apply them in questions.
- Work through the problems and applications.
- Review PowerPoint lecture slides: You have **5** of them.
- Review lecture notes and your notes (hopefully you've taken some!).
- Review lecture worksheets.
- Review your problem sets and make sure you understand every question: You have **3** of them. **Exam questions will be very similar to problem set questions; even there might be exactly same questions.**

Key Concepts:

- Microeconomics
- Macroeconomics
- Scarcity
- Opportunity Cost
- Rational Behavior
- Marginal Analysis
- Marginal Cost
- Marginal Benefit
- Net Gain
- Production Possibilities Curve
- Investment
- Law of Increasing Cost
- Markets

Economics (Kara)

- Supply Curves
- Demand Curves
- Market Equilibrium
- Changes in Quantity Demanded
- Changes in Quantity Supplied
- Change in Demand
- Change in Supply
- Labor Markets
- Price Floors
- Price Ceilings
- Price Elasticity of Demand
- Income Elasticity of Demand
- Total Revenue
- Cross Elasticity of Demand
- Price Elasticity of Supply
- Tax Incidence
- Consumer Surplus
- Willingness to Pay
- Producer Surplus
- Willingness to Sell
- Taxation
- Deadweight Loss