Q-1. A college student's monthly demand for pizza is given by the equation:

Q^D_{pizza}=15-0.75P$_{pizza}$+0.01I-0.25P$_{cola}$	
Where	$Q^D_{pizza}$is the number of pizzas ordered per month
	P$_{pizza}$ is the price of a pizza
	I is her monthly food budget
	P$_{cola}$ is the price of cola per bottle

The student's current monthly food budget is $750, the price of a pizza is $8, and the price of a bottle of cola is $2.50/bottle. If the student's monthly food budget were to increase to $1000, the slope of her demand curve for pizza would be closest to:

A. -2.42.

B. -1.33.

C. -0.75.

Q-2. For a particular product produced by a firm, the quantity at which demand is unit elastic is most likely the quantity that maximizes:

A. total profit from the product but not total revenue from the product.

B. total revenue from the product but not total profit from the product.

C. both total profit from the product and total revenue from the product.

Q-3. The market demand function for four-year private universities is given by the equation

$Q_{pr}{}^d$ = 84 – 3.1 P$_{pr}$ +0.8I +0.9P$_{pu}$

Where $Q_{pr}{}^d$ is the number of applicants to private universities per year in thousands, P$_{pr}$ is the average price of private universities (in thousands of USD), I is the household monthly income (in thousands of USD), and P$_{pu}$ is the average price of public (government-supported). Assume that P$_{pr}$ is equal to 38, I is equal to 100, and P$_{pu}$ is equal to 18.

The cross-price elasticity of demand for private universities with respect to the price of public universities is closest to:

A. 0.3.

B. 3.1.

C. 3.9.

Q-4. In the demand function $Q^d_x = 4.5 - 0.8P_x + 0.2I - 0.06P_y$ where Q^d_x represents the quantity demanded of a good X, P$_x$ is the price per unit of good X, I is consumers' income, and P$_y$ is the price per unit of good Y, X, and Y are best described as:

A. inferior goods.

B. substitutes.

C.	complements.

Q-5.	In the case of a normal good with a decrease in own price, which of the following statements is most likely true?

A.	Both the substitution and income effects lead to an increase in the quantity purchased

B.	The substitution effect leads to an increase in the quantity purchased, while the income effect has no impact

C.	The substitution effect leads to an increase in the quantity purchased, while the income effect leads to a decrease