## Self-Check Questions

[1](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp159528560-solution).

In the labor market, what causes a movement along the demand curve? What causes a shift in the demand curve?

[2](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp45547376-solution).

In the labor market, what causes a movement along the supply curve? What causes a shift in the supply curve?

[3](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm193520-solution).

Why is a living wage considered a price floor? Does imposing a living wage have the same outcome as a minimum wage?

[4](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm182294112-solution).

In the financial market, what causes a movement along the demand curve? What causes a shift in the demand curve?

[5](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm102226576-solution).

In the financial market, what causes a movement along the supply curve? What causes a shift in the supply curve?

[6](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm107095712-solution).

If a usury law limits interest rates to no more than 35%, what would the likely impact be on the amount of loans made and interest rates paid?

[7](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm28938304-solution).

Which of the following changes in the financial market will lead to a decline in interest rates:

1. a rise in demand
2. a fall in demand
3. a rise in supply
4. a fall in supply

[8](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp68468928-solution).

Which of the following changes in the financial market will lead to an increase in the quantity of loans made and received:

1. a rise in demand
2. a fall in demand
3. a rise in supply
4. a fall in supply

[9](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp53788832-solution).

Identify the most accurate statement. A price floor will have the largest effect if it is set:

1. substantially above the equilibrium price
2. slightly above the equilibrium price
3. slightly below the equilibrium price
4. substantially below the equilibrium price

Sketch all four of these possibilities on a demand and supply diagram to illustrate your answer.

[10](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idm48819088-solution).

A price ceiling will have the largest effect:

1. substantially below the equilibrium price
2. slightly below the equilibrium price
3. substantially above the equilibrium price
4. slightly above the equilibrium price

Sketch all four of these possibilities on a demand and supply diagram to illustrate your answer.

[11](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp29140256-solution).

Select the correct answer. A price floor will usually shift:

1. demand
2. supply
3. both
4. neither

Illustrate your answer with a diagram.

[12](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-4#fs-idp75628784-solution).

Select the correct answer. A price ceiling will usually shift:

1. demand
2. supply
3. both
4. neither