

Name: _____

Score: _____

13 Multiple choice questions

Definition

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consumer rationing, producer motivating

- ☐ 2 Determinants Of Price Stability
- ☐ 2 Effects of Price on Supply
- ☐ 2 Secondary Roles of Price
- ☐ 2 Primary Functions of Price

Definition

price, income, number of buyers, price related goods (substitutes, complements), taste and preference, expectations of future price, particulars

-Price causes a move along the curve (change in quantity)

-Everything else causes a shift of the demand curve/ change in demand

☐ **7 Determinants of Demand**

☐ **Where Price and Quantity are on a graph**

☐ **7 Determinants of Supply**

☐ **2 ways a curve is impacted**

Definition

the propensity (willingness and ability) to buy, describes the relationship between to variables (price and quantity) demanded at a specific point in time

☐ **Equilibrium**

☐ **Scarcity**

☐ **Price**

☐ **Demand**

Definition

shift (entire curve moves, an increase to the right or a decrease to the left), movement along the curve from point to point

- ☐ **2 ways a curve is impacted**
- ☐ **2 ways a curve is shaped**
- ☐ **2 methods of curve flattening**
- ☐ **2 types of curve rotation**

Term

Where Price and Quantity are on a graph

- ☐ Price is on the diagonal axis, Quantity goes on the X (horizontal) axis
- ☐ Both Price and Quantity are on the Y (vertical) axis
- ☐ Point on a graph where supply and demand meet, equal quantity at a specific price, no reason to move, market clearing price
- ☐ Price is on the Y (vertical) axis, Quantity goes on the X (horizontal) axis

Definition

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1) Is this 1st a supply or demand issue? 2) What determinant are you dealing with? 3) Is it going to be an increase or a decrease?

- ☐ **3 Questions to ask when an event impacts the supply/ demand model**
- ☐ **Where Price and Quantity are on a graph**
- ☐ **Equilibrium**
- ☐ **2 ways a curve is impacted**

Definition

when the price of a good is raised, buyers tend to buy less of that good

- ☐ **Equilibrium**
- ☐ **Law of Supply**
- ☐ **Law of Diminishing Return**
- ☐ **Law of Demand**

Definition

price, production cost, number of sellers, price related output (substitutes, complements), taste and preference, expectations of future prices, particulars

-price causes a move along the curve

-the rest cause a shift in the supply curve/ change in supply

☐ **Where Price and Quantity are on a graph**

☐ **7 Determinants of Demand**

☐ **7 Determinants of Supply**

☐ **2 ways a curve is impacted**

Definition

quantity supplied is greater than quantity demanded, sellers cannot sell the quantities they desire to supply. When this happens there is a downward pressure on price and things get cheaper

- ☐ **Deficit**
- ☐ **Surplus**
- ☐ **Shortage**
- ☐ **Equilibrium**

Definition

point on a graph where supply and demand meet, equal quantity at a specific price, no reason to move, market clearing price

- ☐ Surplus
- ☐ Scarcity
- ☐ Shortage
- ☐ Equilibrium

Definition

propensity to sell, relationship between price and quantity supplied at a particular time

- ☐ **Supply**
- ☐ **Demand**
- ☐ **Profit**
- ☐ **Price**

Definition

quantity demanded is greater than quantity supplied, buyers cannot purchase the quantities they desire. When this happens there is an upward pressure on price and things get more expensive

- ☐ **Supply**
- ☐ **Equilibrium**
- ☐ **Shortage**
- ☐ **Surplus**

Definition

upward (positive, direct relationship), downward (negative, indirect relationship)

- ☐ **2 types of intercept**
- ☐ **2 types of slope**
- ☐ **2 directions of trend**
- ☐ **2 forms of correlation**