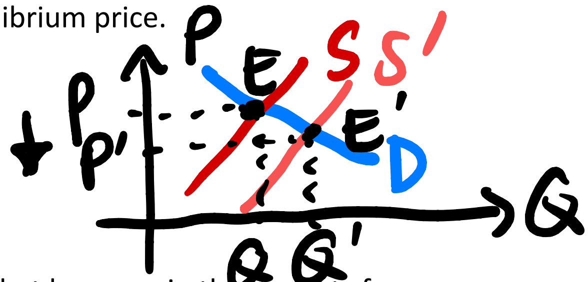
Answers

EE211 Section 1 Quiz 1 (August 29, 2023)

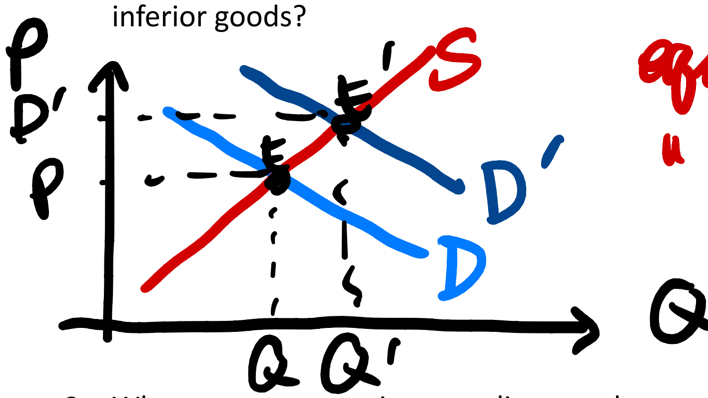
Name______________________________________ Last 4 digits ID ___________________________

Answers all following questions. Provide full explanation with graphs.

1. The discovery of a large new reserve of crude oil will shift the _______________curve for gasoline, leading to a _________________________ equilibrium price.
   a. supply; higher
   b. supply; lower
   c. demand; higher
   d. demand; lower



2. If the economy goes into a recession and income fall, what happens in the markets for inferior goods?

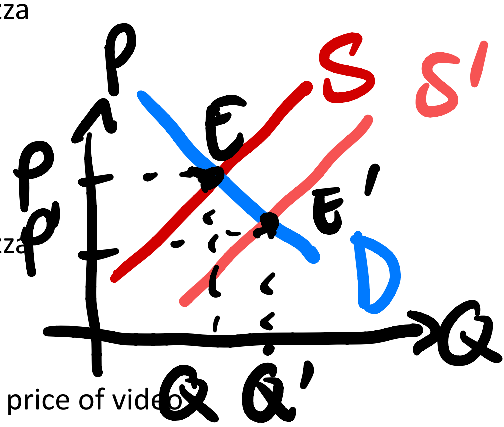


equilibrium price and

" ——→ quantitie both rise

3. What event moves pizza suppliers up along a given supply curve?
   a. An increase in the price of pizza
   b. An increase in the price of root beer, a complement to pizza
   c. A decrease in the price of cheese, an input to pizza
   d. A kitchen fire that destroys a popular pizza joint

4. What even shifts the supply curve for pizza to the right?
   a. An increase in the price of pizza
   b. An increase in the price of root beer, a complement to pizza
   c. A decrease in the price of cheese, an input to pizza
   d. A kitchen fire that destroys a popular pizza joint



5. Movie tickets and video streaming services are substitutes. If the price of video streaming increases, what happens in the market for movie tickets?
   a. The supply curve shifts to the left.
   b. The supply curve shifts to the right.
   c. The demand curve shifts to the left.
   d. The demand curve shifts to the right.