

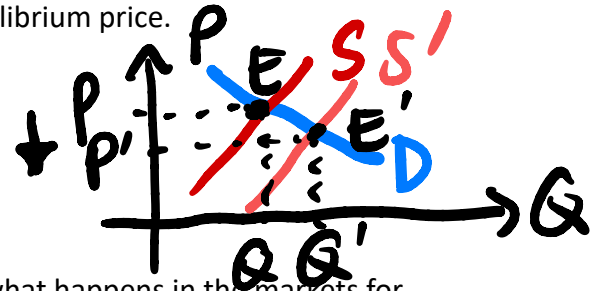
Answers

EE211 Section 1 Quiz 1 (August 29, 2023)

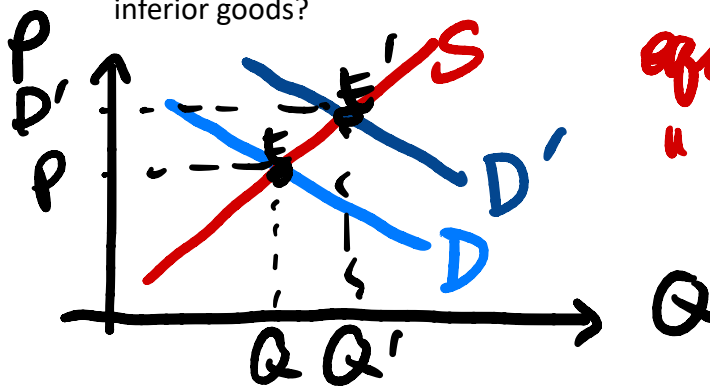
Name _____ Last 4 digits ID _____

Answers all following questions. Provide full explanation with graphs.

- The discovery of a large new reserve of crude oil will shift the _____ curve for gasoline, leading to a _____ equilibrium price.
 - supply; higher
 - supply; lower
 - demand; higher
 - demand; lower

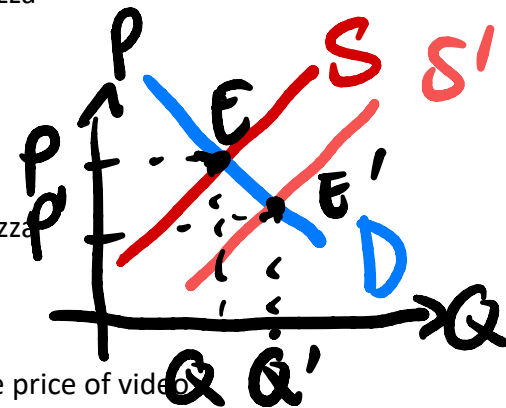


- If the economy goes into a recession and income fall, what happens in the markets for inferior goods?



equilibrium price and quantity both rise

- What event moves pizza suppliers up along a given supply curve?
 - An increase in the price of pizza
 - An increase in the price of root beer, a complement to pizza
 - A decrease in the price of cheese, an input to pizza
 - A kitchen fire that destroys a popular pizza joint
- What event shifts the supply curve for pizza to the right?
 - An increase in the price of pizza
 - An increase in the price of root beer, a complement to pizza
 - A decrease in the price of cheese, an input to pizza
 - A kitchen fire that destroys a popular pizza joint



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