

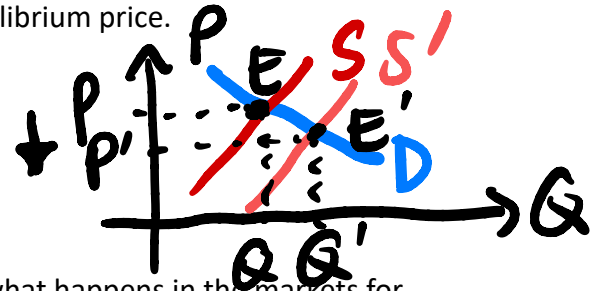
# Answers ☺

EE211 Section 1 Quiz 1 (August 29, 2023)

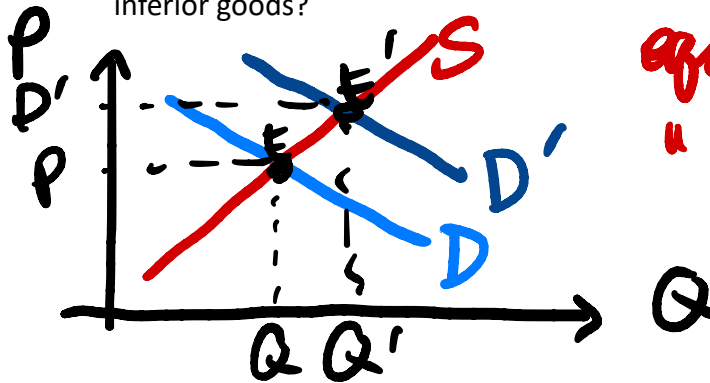
Name \_\_\_\_\_ Last 4 digits ID \_\_\_\_\_

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

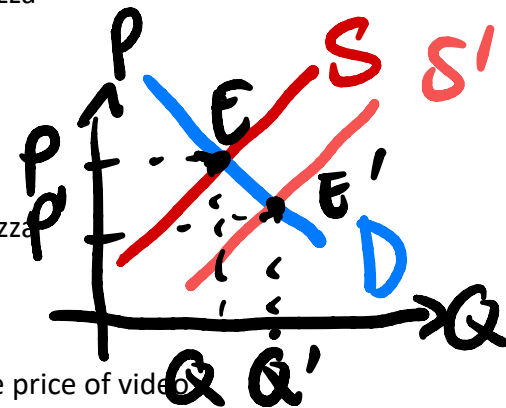


- If the economy goes into a recession and income fall, what happens in the markets for inferior goods?



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.