

Econ Ch. 6 Test Review

Vocabulary

- Price ceiling Price floor Surplus
- Market equilibrium Shortage Rebate
- Equilibrium price Rationing Price
- Economic model Deficiency payment

Concepts

- The economics of prices
 - What do prices represent?
 - How are they derived?
 - Why do they perform effectively and efficiently?
 - The signals that they send
 - What do “price supports” do?
 - How do they function?
- Competitive Markets
 - How do they work?
 - What part do they play in the economy?
- Surpluses/Shortages
 - Determining them.
 - What are they?
 - How does the market correct these situations?
 - Graphically, how are they represented?
 - Examples.
- Rationing
 - Advantages/Disadvantages
 - How do they work?
- e-commerce
 - What is it?
 - Advantages/disadvantages
- Price Floors
 - Advantages/Disadvantages
 - How do they work?
 - Examples
- Price Ceilings
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- Equilibrium
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