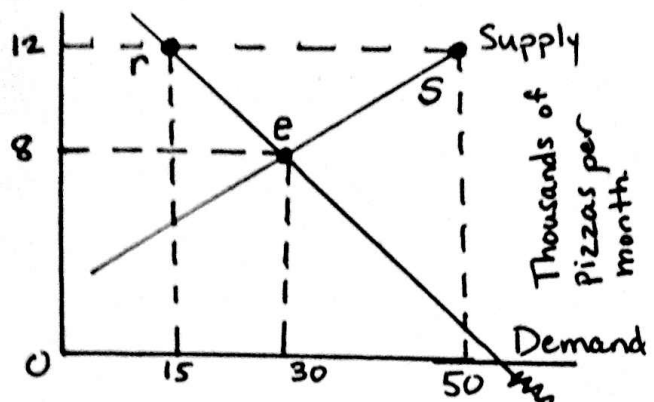
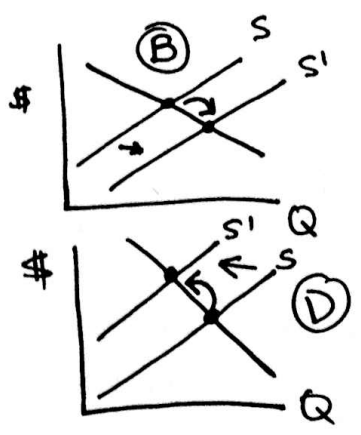
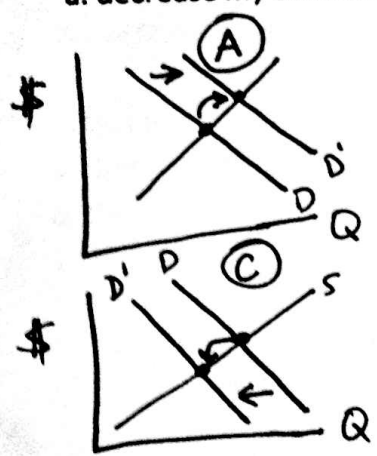


Ch. 7 Study Guide Quiz

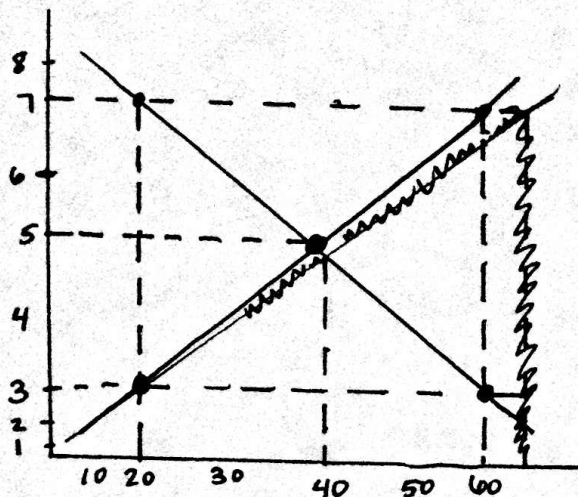


- 1. Which letter represents the highest demand for pizzas?
a. R b. E c. S
- 2. How many pizzas are sold at market equilibrium?
a. 50,000 b. 30,000 c. 45,00
- 3. At market equilibrium what would Total Revenue be?
a. 240,000 b. 350,000 c. 180,000
- 4. If I am at Market equilibrium, how can I get to point S on the graph?
a. decrease my demand b. increase my supply c. decrease my supply
- 5. Which letter represents the highest **supply** for pizzas?
a. R b. E c. S
- 6. If I am at Market equilibrium, how can I get to point R on the graph?
a. decrease my demand b. increase my supply c. decrease my supply



Use The Graphs above to answer.

- 7. Which graph would represent new technology?
- 8. Which graph would represent a celebrity endorser?
- 9. Which graph would represent bad press about your product?
- 10. Which graph would represent a decrease in productivity?



According to the graph, equilibrium price and quantity are

- a. \$7, 20 b. \$7, 60 c. \$5, 40

According to the graph, at a price of \$7,

- a. there would be a shortage of 40 units. b. there would be a surplus of 20 units.
c. there would be a shortage of 40 units.

When the price is higher than the equilibrium price,

- a. a shortage will exist.
b. Buyers desire to purchase more than is produced.
c. Sellers desire to produce and sell more than buyers wish to produce

When there is a **shortage** in a market,

- a. there is upward (increase) pressure on price.
b. there is a downward (decrease) pressure on price.
c. the market could still be in equilibrium.

When there is a **surplus** in a market,

- a. there is upward (increase) pressure on price.
b. there is a downward (decrease) pressure on price.
c. the market could still be in equilibrium.

If the price of iPods drops, how will this affect the market for iTunes.com?

- a. Supply will increase b. supply will decrease c. demand will increase d. demand will decrease

Gibraltar Trade Center allows 4 new vendors to sell purses. What will this do to the purse market in Gibraltar Trade Center?

- a. Supply will increase b. supply will decrease c. demand will increase d. demand will decrease

If fewer babies are born in the next five years, how will this baby food market be affected?

- a. Supply will increase b. supply will decrease c. demand will increase d. demand will decrease

Vocabulary Terms to Know:

Know the terms you were given at the beginning of this chapter.