Demand, Supply, Equilibrium Study Guide

TEST ON ___________ !!!!

Notes: Demand, Supply, Equilibrium

Answer questions in COMPLETE SENTENCES ON A SEPARATE SHEET OF PAPER! Due ______________. Counts as a QUIZ GRADE!!!

1) What are the 2 parts of the Law of Demand?
2) What are the 2 parts of the Law of Supply?
3) What is Elasticity?
4) If an item has elastic demand, when price changes a _____, the demand changes a ______. Give an example.
5) If an item has inelastic demand, when price changes a _____, the demand changes a ______. Give an example.
6) What determines the Elasticity of supply of an item?
7) If an item has elastic supply, when price changes a _____, the supply changes a ______. Give an example.
8) If an item has inelastic supply, when price changes a _____, the supply changes a ______. Give an example.
9) What is Profit?
10) What is Equilibrium price?
11) In a free market economy, prices always tend to move toward ______.
12) What is the substitute effect on demand?
13) What is the complementary effect on demand?
14) What is the income effect on demand?
15) What are the 3 non-price factors that impact supply?
16) What is a surplus? What happens to prices during a surplus?
17) What is a shortage? What happens to prices during a shortage?
18) What is a Price Floor? Give an example of a price floor.
19) What is a Price ceiling? Give an example of a price ceiling.
20) What are the 3 reasons for a change in Equilibrium?
21) What are the 4 advantages of having prices?
23) How does a Boycott effect Demand? Supply? Equilibrium Price?
24) How does the war in Afghanistan effect Demand? Supply?