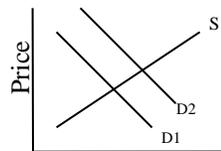


## Supply and Demand Quiz

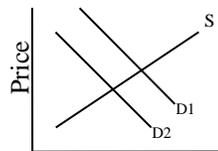
- \_\_\_\_\_ 1. The law of demand states that if the price of CD's rise consumers will:  
a) buy more CD's b) buy fewer CD's c) quantity demanded will not change
- \_\_\_\_\_ 2. The law of supply states that if the price of CD's rise, suppliers will:  
a) supply more CD's b) supply less CD's c) quantity supplied will not change
- \_\_\_\_\_ 3. Which of the following is NOT a determinant of the supply of peanut butter?  
a) the price of peanuts b) the wages of peanut butter factors workers c) the price of peanut butter substitutes d) existing peanut butter making technology
- \_\_\_\_\_ 4. Which of the following will cause an increase in demand for snowboards?  
a) less costly production methods b) a decrease in the price of lift tickets at resorts in Tahoe  
c) a decrease in consumer income d) a decrease in the population
- \_\_\_\_\_ 5. What does a surplus of goods in a competitive market imply?  
a) prices are too high b) prices are too low c) supply is too low d) demand is too high
- \_\_\_\_\_ 6. The United States imports many cars from Japan. Suppose that the price of steel that Japan uses in making cars declines. What is the INITIAL (first) effect this will have in the U.S. market for cars?  
a) The supply of Japanese made cars to the US will increase b) the price of Japanese made cars sold in the US will decrease c) the price of Japanese made cars in the US will increase d) the demand for Japanese made cars will increase e) the quantity of Japanese made cars sold in the US will decrease

Questions 7 through 10 relate to the graphs below:

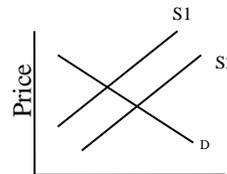
### Market for Gasoline



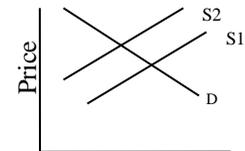
Quantity  
Graph A



Quantity  
Graph B



Quantity  
Graph C



Quantity  
Graph D

- \_\_\_\_\_ 7. Americans revive their love of SUV's and the newly remodeled Hummer  
a) Graph A b) Graph B c) Graph C d) Graph D
- \_\_\_\_\_ 8. Due to a recessionary economy, Americans are cutting back on the family vacation road trips  
a) Graph A b) Graph B c) Graph C d) Graph D
- \_\_\_\_\_ 9. Costs of producing gasoline from crude oil has increased due to rising energy costs  
a) Graph A b) Graph B c) Graph C d) Graph D
- \_\_\_\_\_ 10. In an attempt to increase the domestic production of oil and gasoline, Congress and the President have given the okay to drill in the Alaskan Arctic Preserve  
a) Graph A b) Graph B c) Graph C d) Graph D