Place all answers in the space provided at the end of the quiz. No credit will be given for answers placed elsewhere.

1) If the price of a hot dog is $2 and the price of a hamburger is $4, 
   A) the money price of a hamburger is 2 hot dogs. 
   B) the relative price of a hamburger is 1/2 of a hot dog. 
   C) the relative price of a hot dog is 1/2 of a hamburger. 
   D) the money price of a hot dog is 2 hamburgers.

2) The demand for a good increases when the price of a substitute in consumption _______ and also increases when the price of a complement in consumption _______. 
   A) rises; falls 
   B) rises; rises 
   C) falls; falls 
   D) falls; rises

3) In-line skates and elbow-pads are likely to be 
   A) complements in production. 
   B) substitutes in production. 
   C) complements in consumption. 
   D) substitutes in consumption.

4) Which of the following would NOT shift the demand curve for turkey? 
   A) a change in the price of a turkey 
   B) an increase in income 
   C) a change in tastes for turkey 
   D) a decrease in the price of ham

5) The above figure represents the market for french fries at fast food joints. If the price of potatoes rises and simultaneously people become concerned that french fries can cause heart attacks 
   A) the demand curve for french fries will shift from $D_2$ to $D_1$ and the supply curve of french fries will shift from $S_1$ to $S_2$. 
   B) the demand curve for french fries will shift from $D_2$ to $D_1$ and the supply curve of french fries will shift from $S_2$ to $S_1$. 
   C) the demand curve for french fries will not shift, and the supply curve of french fries will shift from $S_1$ to $S_2$. 
   D) the demand curve for french fries will shift from $D_2$ to $D_1$ and the supply curve of french fries will not shift.

6) If the quantity demanded exceeds the quantity supplied, then there is 
   A) a surplus and the price is below the equilibrium price. 
   B) a surplus and the price is above the equilibrium price. 
   C) a shortage and the price is above the equilibrium price. 
   D) a shortage and the price is below the equilibrium price.
<table>
<thead>
<tr>
<th>Price (dollars per disc)</th>
<th>Quantity demanded</th>
<th>Price (dollars per disc)</th>
<th>Quantity supplied</th>
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7) The above table gives the demand and supply schedules for compact discs. If the price of a compact disc is $8, there is a ________ and the price of a compact disc will ________.
   A) surplus; rise  B) surplus; fall  C) shortage; rise  D) shortage; fall

8) The above table gives the demand and supply schedules for compact discs. Suppose that the price of a compact disc player increases, resulting in the demand for compact discs decreasing by 8,000 units at all prices. What are the new equilibrium quantity and equilibrium price of compact discs?
   A) 28,000 and $28  B) 20,000 and $20  C) 8,000 and $8  D) 16,000 and $16

<table>
<thead>
<tr>
<th>Price (dollars per cellular phone)</th>
<th>Quantity demanded (thousands)</th>
<th>Quantity supplied (thousands)</th>
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<tr>
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9) Using the data in the above table, at the price of $80 a phone, a
   A) shortage of 25 thousand cellular telephones occurs.
   B) surplus of 25 thousand cellular telephones occurs.
   C) surplus of 80 thousand cellular telephones occurs.
   D) shortage of 55 thousand cellular telephones occurs.
10) In the above figure, if the price is $8 then
   A) there is a shortage of 200.         B) there is a surplus of 100.
   C) there is a shortage of 100.         D) there is a surplus of 200.

11) Based on the above figure, which of the following is true?
   A) At a price of $8, quantity demanded is less than quantity supplied.
   B) At a price of $6, quantity demanded is equal to quantity supplied.
   C) At a price of $4, quantity demanded is greater than quantity supplied.
   D) All of the above answers are correct.

12) Leather belts and leather shoes are substitutes in production. If style changes increase the demand for leather belts, the supply curve of leather shoes will shift
   A) leftward and the equilibrium price of leather shoes will rise.
   B) rightward and the equilibrium price of leather shoes will rise.
   C) rightward and the equilibrium price of leather shoes will fall.
   D) leftward and the equilibrium price of leather shoes will fall.

13) If both demand and supply increase, what will be the effect on the equilibrium price and quantity?
   A) Both the price and the quantity will increase.
   B) The quantity will increase but the price could either rise, fall, or remain the same.
   C) The price will rise but the quantity could either increase, decrease, or remain the same.
   D) The price will fall but the quantity will increase.
14) The above figure shows the market for pizza. Which figure shows the effect of an increase in the price of a substitute such as sandwiches?
A) Figure A  B) Figure B  C) Figure C  D) Figure D

15) The above figure shows the market for pizza. Which figure shows the effect of an increase in the price of the tomato sauce used to produce pizza?
A) Figure A  B) Figure B  C) Figure C  D) Figure D

16) Apple juice and orange juice are substitutes in consumption. Apple juice and apple sauce are substitutes in production. If the price of orange juice _______ or the price of apple sauce _______, then the price of apple juice will _______.
A) rises; rises; rise  B) rises; falls; rise  C) falls; falls; rise  D) falls; rises; fall

17) Over the past decade, the price of DVD players fell and the number of units sold each year has increased. Which of the following could explain these simultaneous changes?
A) a decrease in the price of materials used to produce DVD players.
B) all of the above.
C) an increase in consumer income.
D) a decrease in the price of movies available on DVD.

18) Suppose that the price of orange juice is currently $1. Which of the following would lead to a shortage of orange juice if the price not allowed to either increase or decrease from its current level?
A) an increase in income if orange juice is an inferior good.
B) a decrease in the price of a substitute in consumption for orange juice.
C) an increase in the price of a complement in consumption for orange juice.
D) an increase in the price of a substitute in production for orange juice.

Place all your answers in the space below.

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