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Pool Canvas

Add, modify, and remove questions. Select a question type from the Add Question drop-down list and click **Go** to add questions. Use Creation Settings to establish which default options, such as feedback and images, are available for question creation.

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Name TestBanks Chapter 03: Supply and Demand

Description Question pool for TestBanks Chapter 03: Supply and Demand

Instructions

[◀ Add Question Here](#)

Question 1 **Multiple Choice** **0 points**

Question

The market for corn in Kansas is considered to be competitive. This means there are _____ buyers and _____ sellers of corn in Kansas.

Answer

- many; few
- few; many
- ✓ many; many
- few; few

[◀ Add Question Here](#)

Question 2 **Multiple Choice** **0 points**

Question

The law of demand states that other things equal:

Answer

- as the price increases, the quantity demanded will increase.
- as the price decreases, the demand curve will shift to the right.
- as the price increases, the demand will decrease.
- ✓ as the price increases, the quantity demanded will decrease.

[◀ Add Question Here](#)

Question 3 **Multiple Choice** **0 points**

Question

A negative relationship between the quantity demanded and price is called the law of:

Answer

- ✓ demand.
- increasing returns.
- market clearing.
- supply.

[◀ Add Question Here](#)

Question 4 **Multiple Choice** **0 points**

Question

Which of the following examples illustrates the law of demand?

Answer

- An increase in tuition encourages more students to enroll in college because the quality of education has risen.
- ✓ Consumers buy more personal computers because prices have fallen.
- Oil companies drill for new sources of oil because oil prices are higher.

Fewer people play golf because incomes are lower.

[◀ Add Question Here](#)

Question 5 **Multiple Choice** **0 points**

Modify

Remove

Question

_____ illustrates an inverse relationship between price and quantity.

- Answer**
- A demand curve
 - A supply curve
 - A production possibility frontier
 - Equilibrium

[◀ Add Question Here](#)

Question 6 **Multiple Choice** **0 points**

Modify

Remove

Question

A negative relationship between the quantity demanded and price is called the law of _____.

- Answer**
- demand
 - marginality
 - efficiency
 - supply

[◀ Add Question Here](#)

Question 7 **Multiple Choice** **0 points**

Modify

Remove

Question

The law of demand is illustrated by a demand curve that is:

- Answer**
- horizontal.
 - downward sloping.
 - vertical.
 - upward sloping.

[◀ Add Question Here](#)

Question 8 **Multiple Choice** **0 points**

Modify

Remove

Question

The law of demand implies that:

- Answer**
- consumers are not responsive to price changes.
 - consumers will buy more at lower prices.
 - sellers will offer more on the market at higher prices.
 - sellers will offer less on the market at lower prices.

[◀ Add Question Here](#)

Question 9 **Multiple Choice** **0 points**

Modify

Remove

Question

The _____ apples will decrease when apple prices rise.

- Answer**
- demand for
 - quantity demanded of
 - supply of
 - equilibrium of

[◀ Add Question Here](#)

Question 10

Multiple Choice**0 points**

Modify

Remove

Question

A decrease in the price of a good will result in:

Answer

- an increase in demand.
- an increase in supply.
- ✓ an increase in the quantity demanded.
- more being supplied.

[◀ Add Question Here](#)

Question 11

Multiple Choice**0 points**

Modify

Remove

Question

Which of the following factors would cause a movement along the demand curve for a particular good?

Answer

- a change in the prices of related goods
- ✓ a change in the price of that good
- a change in the size of the population
- both a change in the price of that good and a change in the size of the population

[◀ Add Question Here](#)

Question 12

Multiple Choice**0 points**

Modify

Remove

Question

A decrease in the price of eggs will result in:

Answer

- an increase in the demand for eggs.
- an increase in the supply of eggs.
- an increase in the quantity of eggs supplied.
- ✓ an increase in the quantity of eggs demanded.

[◀ Add Question Here](#)

Question 13

Multiple Choice**0 points**

Modify

Remove

Question

Which of the following best describes the law of demand?

Answer

- As income taxes rise, fewer new cars are purchased.
- As the price of corn rises, more acres of corn are planted.
- ✓ As the price of a DVD rental rises, fewer DVDs are rented.
- As the population rises, more electricity is consumed.

[◀ Add Question Here](#)

Question 14

Multiple Choice**0 points**

Modify

Remove

Question

Which of the following statements is correct?

Answer

- A change in demand is a movement along the demand curve, and a change in quantity demanded is a shift of the demand curve.
- Both a change in quantity demanded and a change in demand are movements along the demand curve, only in different directions.

Both a change in quantity demanded and a change in demand are shifts of the demand curve, only in different directions.

- ✓ A change in quantity demanded is a movement along the demand curve, and a change in demand is a shift of the demand curve.

[◀ Add Question Here](#)

Question 15 **Multiple Choice**

0 points

Modify

Remove

Question

In much of the country, homeowners choose to heat their houses with either natural gas or home heating oil. Which of the following would cause a change in the demand for natural gas?

- Answer**
- a change in the price of home heating oil
 - a change in income
 - an increase in consumer tastes for natural gas as an energy source
 - ✓ all of the above

[◀ Add Question Here](#)

Question 16 **Multiple Choice**

0 points

Modify

Remove

Question

Raclette is a popular wintertime dish in Switzerland. It is essentially melted Raclette cheese over boiled new potatoes. If the price of Raclette cheese decreased, we would expect to see:

- Answer**
- an increase in demand for Raclette cheese.
 - ✓ an increase in demand for new potatoes.
 - no effect on the demand for either of the Raclette ingredients, since this is a traditional dish and its consumption does not depend on the prices of the ingredients.
 - an increase in demand for Raclette cheese and for new potatoes.

[◀ Add Question Here](#)

Question 17 **Multiple Choice**

0 points

Modify

Remove

Question

When the economy suffers a downturn and the incomes of many people decrease, vacationers are more likely to take car trips than to fly. Which of the following provides one possible explanation for this phenomenon?

- Answer**
- Air travel and vacation travel by car are complementary goods.
 - Air travel and vacation travel by car are both normal goods.
 - ✓ Air travel is a normal good and vacation travel by car is an inferior good.
 - Air travel is an inferior good and vacation travel by car is a normal good.

[◀ Add Question Here](#)

Question 18 **Multiple Choice**

0 points

Modify

Remove

Question

A shift of the demand curve for thin-crust pizza would *not* be caused by a change in:

- Answer**
- buyers' incomes.
 - ✓ the price of thin-crust pizza.
 - the price of thick-crust pizza.
 - the popularity of thin-crust pizza.

[◀ Add Question Here](#)

Question 19 **Multiple Choice****0 points**

Modify
Remove

Question

If goods A and B are substitutes, a decrease in the price of good B will:

- Answer**
- increase the demand for good A.
 - increase the demand for good B.
 - ✓ decrease the demand for good A.
 - increase the demand for good B and decrease the demand for good A.

◀ [Add Question Here](#)

Question 20 **Multiple Choice****0 points**

Modify
Remove

Question

If goods A and Z are complements, an increase in the price of good Z will:

- Answer**
- increase the demand for good A.
 - ✓ decrease the demand for good A.
 - decrease the demand for good Z.
 - decrease the demand for both good A and good Z.

◀ [Add Question Here](#)

Question 21 **Multiple Choice****0 points**

Modify
Remove

Question

Over the past several years, consumers have had an increasing interest in getting a tattoo. This means that the _____ for tattoos has _____.

- Answer**
- quantity demanded; increased
 - demand; decreased
 - ✓ demand; increased
 - quantity demanded; decreased

◀ [Add Question Here](#)

Question 22 **Multiple Choice****0 points**

Modify
Remove

Question

Which of the following will *not* cause an increase in demand for good X?

- Answer**
- a decrease in income if good X is an inferior good
 - an increase in income if good X is a normal good
 - ✓ a decrease in the price of good X
 - an increase in consumers' taste for good X

◀ [Add Question Here](#)

Question 23 **Multiple Choice****0 points**

Modify
Remove

Question

A good is normal if which of the following is true?

- Answer**
- When income increases, the demand remains unchanged.
 - When income increases, the demand decreases.
 - ✓ When income increases, the demand increases.
 - Income and the demand are unrelated.

◀ [Add Question Here](#)

Question 24 **Multiple Choice****0 points**

Modify
Remove