İKT 103- Ödev 3

1. When people heard that there was a shortage of Furby dolls, they wanted even more of them. Because of this effect the pressure on the price of these dolls increased. The price of the dolls remained the same however. Thus, the shortage of these dolls:

    A. increased.
    B. decreased.
    C. did not change.
    D. may have increased or decreased.

2. Suppose the price of tomatoes dramatically increases. Which of the following could cause this change?

    A. Hurricanes during the late summer damages the Florida crop, shifting supply left
    B. A reduction in tariffs of tomatoes from Central American, shifting supply right
    C. A news report stating that a pesticide used on tomatoes might cause cancer, shifting the demand to the right
    D. Advertising for catsup increases demand for catsup, shifting the demand curve to the left

3. The U.S. imposes substantial taxes on cigarettes but not on loose tobacco. When the tax on cigarettes went into effect, the demand for home cigarette rolling machines most likely:

    A. decreased, causing the price of cigarette rolling machines to fall and the quantity of machines purchased to fall.
    B. decreased, causing the price of cigarette rolling machines to rise and the quantity of machines purchased to fall.
    C. increased, causing the price of cigarette rolling machines to rise and the quantity of machines purchased to rise.
    D. increased, causing the price of cigarette rolling machines to rise and the quantity of machines purchased to fall.

4. In the late 1990s "mad cow" disease caused people to buy less beef. It also caused the EU to ban imported British beef and the British government to ban the sale of older cattle. What is the effect of the following on price and quantity of British beef sold worldwide?

    A. Price of British beef falls and quantity sold also falls
    B. Price of British beef rises and quantity sold falls
    C. Price of British beef falls initially, but regains some of its losses; quantity sold initially rises, then falls
    D. Price of British beef falls initially, but regains some of its losses; quantity sold falls

5. The Katrina disaster in New Orleans decreased the ability of oil companies to purify crude oil into gasoline. This caused:

    A. the supply curve for gasoline to shift inward.
    B. the supply curve for gasoline to shift outward.

C. the quantity of gasoline demanded to move out along the demand curve.

D. the quantity of gasoline supplied to move in along the supply curve.

6. Suppose a recent and widely circulated medical article reports new benefits of exercise. Simultaneously, the price of the parts needed to make bikes falls. What is the likely effect on the equilibrium price and quantity of exercise bikes sold?

A. Price of exercise bikes decreases and quantity sold remains the same.

B. Price of exercise bikes increases and quantity sold also increases.

C. Price of exercise bikes remains the same and quantity sold increases.

D. The change in price is ambiguous, but the quantity sold increases.

7. Suppose that the market labor supply and labor demand equations are given by Qs = 5W and Qd = 30 - 5W. The government has passed a law that subsidizes wages by $1 per hour. The equilibrium wage and quantity of labor with the subsidy is:

A. $4 and 15 workers respectively.

B. $2.5 and 12.5 workers respectively.

C. $3.5 and 17.5 workers respectively.

D. $3.5 and 10 workers respectively.

8. Consider a market for fish whose market demand and market supply for fish are specified as Qd = 300 - 2.5 P and Qs = - 20 + 1.5 P respectively. The government decides to impose a price ceiling of $50 per ton. What would be the resulting market distortion?

A. Shortage of 120 tons of fish

B. Shortage of 175 tons of fish

C. Surplus of 120 tons of fish

D. Surplus of 175 tons of fish

9. Consider a market for fish whose market demand and market supply for fish are specified as Qd = 300 - 2.5 P and Qs = - 20 + 1.5 P respectively. The government decides to impose a price ceiling of $50 per ton. The possible black market price after the ceiling is:

A. $140.

B. $110.

C. $80.

D. $40.