

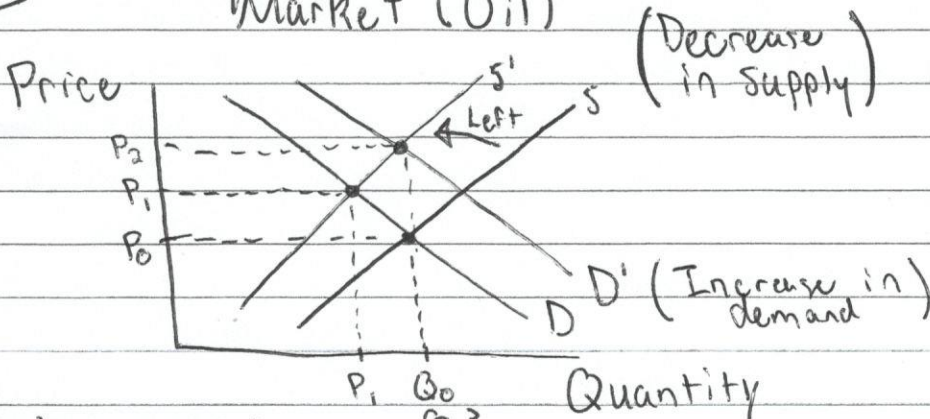
Quiz #5

Name +1

Key

#1

Market (Oil)



+2

Determinant:

Number of Suppliers (Decrease)

#2 China buys more cars everyday as income increases

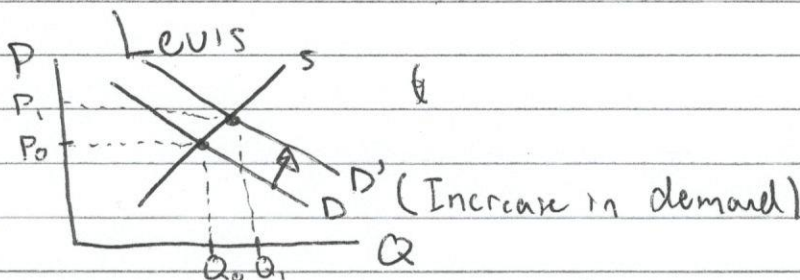
Determinant:

Consumer Income (increase)

Price increases to P_2

Quantity is ambiguous

#3



+1

You see someone on TV who's looking good in their Levi's. What happens in the market for Levi's?

Determinant: Taste & preferences (increase)

Price increases, Quantity increases (Ceteris Paribus)

#4 Quantity goes from 6000 → 8000

Price " " .28 → .25

$$E_P^D = \left| \frac{(2000)/(7000)}{(-0.03)/(0.265)} \right| = \frac{0.2857}{0.1132} = 2.52$$

+1

elastic $R(.28) = 1680$ $R(.25) = 2000$