

Poll Questions 1

1. If the price elasticity of demand is less than 1.0, then for a 10 percent change in price the quantity demanded will change by
 - a) less than 10 percent
 - b) exactly 10 percent.
 - c) more than 10 percent
 - d) There is not enough information
2. When nominal labor costs rise, the most significant effect on the aggregate supply curve is that it
 - a) shifts rightward
 - b) shifts leftward
 - c) becomes flatter
 - d) becomes steeper
3. Which of the following will cause a shift in demand for Toyota Camrys?
 - a) a change in the price of steel.
 - b) an increase in Toyota's profit.
 - c) a change in the price of Honda Accords (a similar model).
 - d) a more efficient welding process.

4. Consider the following demand and supply system for a good:

$$\begin{aligned} \text{Demand: } P &= 100 - 2Q_d, \\ \text{Supply: } P &= 16 + 5Q_s \end{aligned}$$

What is the equilibrium price and quantity?

- a) $Q = 12$, $P = 76$
 - b) $Q = 20$, $P = 50$
 - c) $Q = 53$, $P = 100$
 - d) $Q = 72$, $P = 120$
5. What is the consumer, producer and total surplus, in the following respective order?
 - a) 104,380,484
 - b) 380,104,484
 - c) 360,144,504
 - d) 144,360,504