

## 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:

$$\text{Demand: } P=100-2Q_d,$$

$$\text{Supply: } P=16+5Q_s$$

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