

Quiz 1 - ECN 143.01 - Fall 2009  
Principles of Microeconomics - Dr. Allen  
20 points

Name \_\_\_\_\_

Circle the letter corresponding to the correct response.

1. The tangent line at a point A on a curve has a positive slope. Therefore, the curve has a
  - a. positive slope at all points
  - b. positive slope at point A
  - c. negative slope at all points
  - d. negative slope at point A
  
2. The opportunity cost to you of an action is
  - a. how much money you must pay for the opportunity to take the action
  - b. the value to you of the next best action you could have taken
  - c. the cost to society of giving you the opportunity to take the action
  - d. the cost incurred when you fail to take advantage of an opportunity
  
3. What variables are held constant along a given demand curve for a good?
  - a. the price of the good
  - b. the technology used to produce the good
  - c. consumer incomes and the prices of other goods
  - d. the supply of the good
  
4. Along a supply curve, \_\_\_\_\_ is allowed to vary, but \_\_\_\_\_ is held constant.
  - a. price; quantity supplied
  - b. the number of sellers; price
  - c. technology; price
  - d. price; technology
  
5. Ceteris paribus, a shift in the supply curve of bicycles (produced using aluminum) resulting from higher aluminum prices will lead to
  - a. a higher equilibrium price for bicycles
  - b. a lower equilibrium price for bicycles
  - c. a larger equilibrium quantity of bicycles
  - d. a shift in the demand curve for bicycles.