

Quiz 1 - ECN 143.02 - Fall 2009
Principles of Microeconomics - Dr. Allen
20 points

Name _____

Circle the letter corresponding to the correct response.

1. A maximum point on a curve occurs when
 - a. the X-variable is maximized
 - b. the X-variable equals zero
 - c. the slope of the curve changes from negative to positive
 - d. the slope of the curve changes from positive to negative

2. Which is the correct match of an economic resource and payment for that resource?
 - a. land and normal profit
 - b. entrepreneurial ability and wages
 - c. labor and rental income
 - d. capital and interest income

3. A surplus exists in a market for a product when
 - a. quantity demanded is less than quantity supplied
 - b. quantity supplied is less than quantity demanded
 - c. the increase in demand is greater than the decrease in supply
 - d. the decrease in supply is greater than the increase in demand

4. Along a demand curve, _____ is allowed to vary, but _____ is held constant.
 - a. price; quantity demanded
 - b. price; the number of buyers
 - c. the number of buyers; price
 - d. consumer income; price

5. If both demand and supply decrease, we can conclude that there will be
 - a. an increase in equilibrium quantity
 - b. an increase in equilibrium price
 - c. a decrease in equilibrium quantity
 - d. a decrease in equilibrium price