

Test Review

Unit 3, Chapters 4, 5, 6

This COMPLETED study guide is worth up to 10 points on your test, ON THE TEST DATE ONLY. This study guide will not be accepted late for any reason.

Chapter 4

1. What is the definition of demand?
2. What is the law of demand?
3. What is the law of diminishing marginal utility?
4. What is the difference between change in demand and change in quantity demanded?
5. What six factors shift demand?
6. Draw a graph that shows an increase and a decrease in demand. Label clearly.
7. What is elasticity of demand?

18. Draw a graph showing an increase and a decrease in supply. Label clearly.

19. What is elasticity of supply?

20. What factors affect elasticity of supply?

21. Draw and label a graph that shows an elastic and inelastic supply curve.

Chapter 6

22. What is equilibrium?

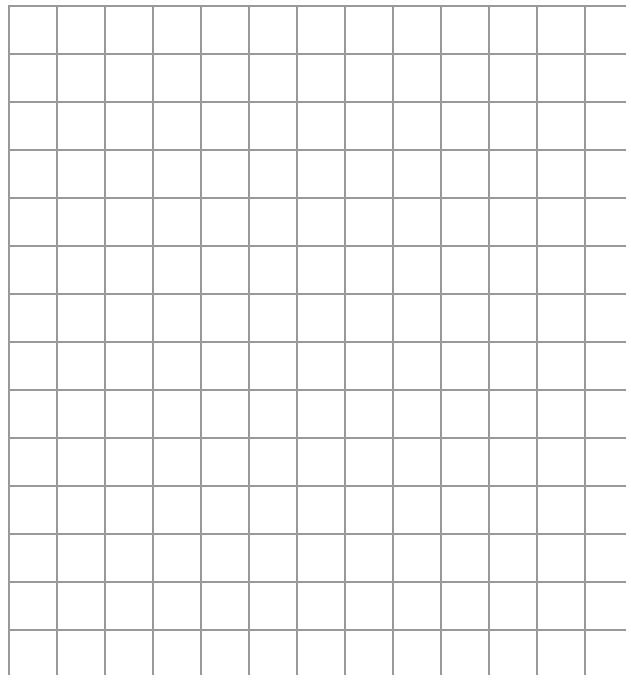
23. What is the difference between a surplus and a shortage?

24. Draw and label a graph that shows a supply curve, a demand curve, equilibrium.

25. What happens to equilibrium price and quantity after an increase in demand?

32. Graph the following information. Label the graph correctly.

Price	Quantity supplied	Quantity Demanded
\$100	100	20
\$80	80	40
\$60	60	60
\$40	40	80
\$20	20	100



What is the equilibrium price and quantity?

What is the situation at a price of \$40 and by how much?

What is the situation at a price of \$100 and by how much?

What is the quantity supplied at a price of \$20?

What is the quantity demanded at a price of \$80?

What is total revenue at equilibrium?