

Your Name (print, underline last name) - \_\_\_\_\_

1. Reminder: For both supply and demand, the codes are -

A - shifts to the right

B - shifts to the left

C - does not shift

D - may or may not shift, and direction is ambiguous

For both price and quantity, the codes are -

E - rises

F - falls

G - remains the same

H - may rise or fall)

a) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

b) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

c) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

d) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

e) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

f) Supply: \_\_\_\_\_ ; Demand: \_\_\_\_\_ ; Price: \_\_\_\_\_ ; Quantity: \_\_\_\_\_

2a) Q: \_\_\_\_\_ Consumer surplus: \_\_\_\_\_ Amount Paid: \_\_\_\_\_

b) Q: \_\_\_\_\_ Consumer surplus: \_\_\_\_\_ Amount Paid: \_\_\_\_\_

c) Gain in buying PHoToLO: \_\_\_\_\_ ; Maximum cost of PHoToLO: \_\_\_\_\_

d) The student is better off in part a/part b (circle one).

\_\_\_\_\_

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3. Case I: Revenue =                      Excess Burden =

EB/REV =                      Cost per dollar =                      ED =

Case II: Revenue =                      Excess Burden =

EB/REV =                      Cost per dollar =                      ED =

b) the codes:

A - increase total revenue received by the sellers.

B - decrease total revenue received by the sellers.

C - leave total revenue received by the sellers approximately unchanged.

i) When demand is elastic, a rise in price (or fall in quantity) will

ii) When demand is inelastic, a rise in price (or fall in quantity) will \_\_\_\_\_.

iii) When demand is elastic, a fall in price (or rise in quantity) will \_\_\_\_\_.

iv) When demand is inelastic, a fall in price (or rise in quantity) will