Demand and Supply – Day 5 Questions
Econ 202/Haworth

The questions below are provided to test your understanding of this day's material.

*To receive credit for this assignment, go to Assignments and find the folder entitled Daily Questions. Inside that folder, you'll find a folder entitled Section 1. Once you're in that folder, click on the link that says **Demand and Supply-Day 5** and complete the assignment. When you are finished, you may submit. Remember that the deadline for submitting this Day 5 Daily Question assignment is Friday, February 3, at 9:00pm.*

Questions #1-4 relate to the market for socks in Louisville. You'll be given an event which affects the Louisville sock market, and you will answer the question by predicting that effect.

1. Price increase in the Louisville market for athletic shoes
a. increase in demand
b. decrease in demand
c. increase in supply
d. decrease in supply
e. increase in demand and supply
f. decrease in demand and supply

2. The future price of socks is expected to increase significantly in several months
a. increase in demand
b. decrease in demand
c. increase in supply
d. decrease in supply
e. increase in demand and supply
f. decrease in demand and supply

3. Increase in wages for the employees who help produce socks in the Louisville sock market:
a. increase in demand
b. decrease in demand
c. increase in supply
d. decrease in supply
e. increase in demand and supply
f. decrease in demand and supply

4. The productivity associated with producing socks increases:
a. the demand curve shifts to the left
b. the demand curve shifts to the right
c. the supply curve shifts to the left
d. the supply curve shifts to the right
e. the supply and demand curves both shift to the right
f. the supply and demand curves both shift to the left

5. Which of the following best explains why both an equilibrium price and quantity will increase:
a. increase in demand
b. decrease in demand
c. increase in supply
d. decrease in supply
e. decrease in both demand and supply
f. increase in both demand and supply

6. When regulation lowers the cost of entering a market and, as a result, new firms being entering those markets, then:
a. the equilibrium price of that good will decrease, and equilibrium quantity increase
b. the equilibrium price and quantity of that good will increase
c. the equilibrium price of that good will increase, and equilibrium quantity decrease
d. the equilibrium price and quantity of that good will decrease

7. When higher gas prices raise the distribution cost associated with supplying a good, then:
a. the equilibrium price of that good will decrease, and equilibrium quantity increase
b. the equilibrium price and quantity of that good will increase
c. the equilibrium price of that good will increase, and equilibrium quantity decrease
d. the equilibrium price and quantity of that good will decrease