2. The price system and the microeconomy

Starter Quiz · 课前小测

A-Level Economics Name: ____________ Score: ______

1. The law of demand says that, other things equal, as price rises quantity demanded:
   - ☐ falls
   - ☐ rises
   - ☐ stays the same
   - ☐ becomes zero
2. The supply curve slopes upward because, as price rises, firms:
   - ☐ are willing to supply more
   - ☐ supply less
   - ☐ leave the market
   - ☐ lower their prices
3. Price rises 20% and quantity demanded falls 10%. What is the PED (as a decimal, keep the sign)?

   ____
4. Income rises 10% and quantity demanded rises 20%. What is the YED?

   ____
5. Price rises 20% and quantity supplied rises 30%. What is the PES?

   ____
6. Market equilibrium occurs where:
   - ☐ quantity demanded equals quantity supplied
   - ☐ demand is highest
   - ☐ supply is highest
   - ☐ price is zero
7. Consumer surplus is the difference between:
   - ☐ what buyers are willing to pay and what they actually pay
   - ☐ price and cost of production
   - ☐ supply and demand
   - ☐ revenue and profit
8. A rise in consumer income causes:

   - ☐ a shift of the demand curve
   - ☐ a movement along the demand curve
   - ☐ no change
   - ☐ a steeper supply curve
9. A change in the good's own price causes a movement along the demand curve, not a shift.

   ☐ True ☐ False
10. A government subsidy shifts the supply curve to the right.

   ☐ True ☐ False

A-Level Economics

1. **falls**

   Higher price → lower quantity demanded; the demand curve slopes downward.

2. **are willing to supply more**

   Higher prices reward production, so quantity supplied rises — an upward curve.

3. **-0.5**

   PED = −10% / +20% = −0.5 (inelastic).

4. **2**

   YED = 20% / 10% = 2 — a normal luxury good.

5. **1.5**

   PES = 30% / 20% = 1.5 — elastic.

6. **quantity demanded equals quantity supplied**

   At equilibrium the curves cross: Qd = Qs and the market clears.

7. **what buyers are willing to pay and what they actually pay**

   It is the value buyers get above the price — the area below demand and above price.

8. **a shift of the demand curve**

   Only the good's own price moves you along the curve; income shifts the whole curve.

9. **True**

   Own-price → movement along; other factors → shift.

10. **True**

    A subsidy lowers effective costs, so firms supply more at each price.