roj	1110 Diaz Score 330 out of 330 points (100%) phr 4.
	Question and Exercise 4-1 required information Answer the following question.
	Section Break Question and Exercise 4-1 required information
1.	award: 10 out of Award 10 points or <u>adjust credit</u> for all students. points
	Question and Exercise 4-1 part a State the law of demand.
	C Demand increases as price rises. Demand decreases as price falls.
	Quantity demanded rises as price rises, other things constant. Quantity demanded falls as price falls, other things constant.
	O Demand increases as price falls. Demand decreases as price rises.
	Quantity demanded rises as price falls, other things constant. Quantity demanded falls as price rises, other things constant.
	Comment:
	Save Comment
	eBook Links (2) Multiple Choice Learning Objective 4-1 Section Demand
	Multiple Choice Learning Objective: 4-1 Section: Demand Question and Exercise 4-1 part a Learning Objective: 4-2
2.	award: 10 out of
	Question and Exercise 4-1 part b Why is price inversely related to quantity demanded?
	Price is inversely related to quantity demanded because as price rises, consumers substitute other goods whose price has not risen.
	Price is directly related to quantity supplied because, as price rises, people and firms rearrange their activities to supply more of that good in order to take advantage of the higher price.
	Price is inversely related to quantity demanded because as price falls, consumers substitute other goods whose price has not risen.
	O Price is inversely related to quantity demanded because as price rises, consumers substitute other goods whose price has risen.
	Comment:
	<u>*</u>

	Score 330 out of 330 points (100%)
3.	award: 10 out of Award 10 points or <u>adjust credit</u> for all students. 10.00 points
	Question and Exercise 4-3 List four shift factors of demand and explain how each affects demand.
	Instructions: Select all that apply.
	Change in consumer tastes. As the taste for a product rises, demand increases.
	The price of inputs rises. As the price of inputs rises, demand increases.
	Change in income. As income rises, demand increases.
	Change in taxes paid by consumers. As taxes rise, demand falls.
	A new production technology is invented. New production technologies increase consumer demand.
	The price of a related consumer good changes. As the price of a complement falls, demand increases.
	Producers expect prices of their products to rise in the future. As the prices producers expect to sell their products for increases, demand increases.
	Comment:
	Save Comment.
	eBook Link
	Check All That Apply Learning Objective: 4-3
	Question and Exercise 4-3 Section: Demand

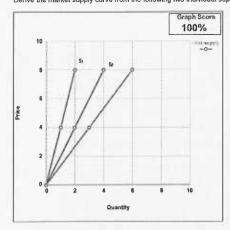
		330 out of 330 points (100%)
	Question and Exercise 4-5 required information Answer the following question.	
	Section Break Question	n and Exercise 4-5 required information
j.	award: 10 out of 10,00 Award 10 points or <u>adjust credit</u> for all studen	nts.
	Question and Exercise 4-5 part a State the law of supply. G Supply increases as price falls. Supply decreases	as price rises.
		constant. Quantity supplied falls as price increases, other things constant.
		nings constant. Quantity supplied falls as price decreases, other things constant.
	Comment:	pases as price decreases.
		_
		<u>*</u>
	Save Comment	
	eBook Link	ing Objective: 4-4
	Multiple Choice Learn	ing Objective: 4-4 on: Supply
	Multiple Choice Learn	
	Multiple Choice Learn	on: Supply
	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points Question and Exercise 4-5 part b	on: Supply
	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10,00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied?	on: Supply
	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10,00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied becau advantage of the higher price.	on: Supply
	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied because advantage of the higher price. Price is directly related to quantity supplied because and price is di	on: Supply nts. se, as price rises, people and firms rearrange their activities to supply more of that good in order to take
).	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied becaute advantage of the higher price. Price is directly related to quantity supplied becaute advantage of the higher price.	on: Supply nts. se, as price rises, people and firms rearrange their activities to supply more of that good in order to take recause as price rises, consumers substitute other goods whose price has not risen.
).	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points or adjust credit for all students of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price.	se, as price rises, people and firms rearrange their activities to supply more of that good in order to take accuse as price rises, consumers substitute other goods whose price has not risen.
).	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied becaute advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price. Price is directly related to quantity supplied becautake advantage of the higher price.	se, as price rises, people and firms rearrange their activities to supply more of that good in order to take accuse as price rises, consumers substitute other goods whose price has not risen.
S.	Multiple Choice Question and Exercise 4-5 part a Section award: 10 out of 10.00 points Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied becaute advantage of the higher price. Price is directly related to quantity supplied becaute advantage of the higher price. Price is directly related to quantity supplied becaute advantage of the higher price. Price is directly related to quantity supplied becaute advantage of the higher price.	se, as price rises, people and firms rearrange their activities to supply more of that good in order to take accuse as price rises, consumers substitute other goods whose price has not risen.
3.	Multiple Choice Question and Exercise 4-5 part a Section and Exercise 4-5 part a Section and Exercise 4-5 part a Question and Exercise 4-5 part b Why is price directly related to quantity supplied? Price is directly related to quantity supplied becautaly advantage of the higher price. Price is inversely related to quantity supplied becautaly advantage of the higher price. Price is directly related to quantity supplied becautaly advantage of the lower price. Comment: Save Comment Book Link	se, as price rises, people and firms rearrange their activities to supply more of that good in order to take accuse as price rises, consumers substitute other goods whose price has not risen.

	Goorg 330 out of 330 polities (100%)
award: 10 out of Award 10 points or a points	<u>diust credit</u> for all students.
Question and Exercise 4-6	
	price rises, supply will increase. Her teacher grimaces. Why?
 Because as price rises, supp 	y will decrease.
C Because as price rises, quan	ity demanded will increase.
Because as price rises, quan	ity supplied will increase.
Because as price rises, dema	
•	
Saying that supply increases means that the quantity supplied increases, other thing	ne curve has shifted to the right, which is not the result of a price change. The correct statement is that, normally, as price rises, is constant.
Comment:	
	<u> </u>
	<u></u>
Save Comment	
eBook Link	
eBook Link Multiple Choice	Learning Objective: 4-4

Score: 330 out of 330 points (100%) award: 10 out of 10.00 points 8. Award 10 points or adjust credit for all students. Question and Exercise 4-7 List four shift factors of supply and explain how each affects supply. Instructions: Select all that apply. Change in taxes paid by producers. As the taxes producers pay increases, supply decreases. Change in consumer tastes. As the taste for a product rises, supply increases. A new production technology is invented. When new production technologies are introduced, supply increases. Reduction in taxes paid by consumers. As taxes rise, supply falls. Producers expect prices of their products to change in the future. As the prices producers expect to sell their products for increases, supply decreases. Income declines. As income rises, supply increases. The price of inputs changes. As the price of inputs rises, supply decreases. , e Save Comment eBook Link Check All That Apply Learning Objective: 4-5 Question and Exercise 4-7 Section: Supply

9.	award: 10 out of 10.00	Award	10	points or adjust cred	it for all students.
	points				

Question and Exercise 4-8
Derive the market supply curve from the following two individual supply curves.



Instructions: On the graph above, click the plotter tool and drag the point to the location on the market supply curve when price is 0. Return to the plotter tool to identify quantity supplied in the market when price is 4. Return one last time to the plotter tool to identify quantity supplied in the market when price is 8. To remove a point from the graph, drag the point off an edge of the graph.

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		2	
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Graphing	Learning Objective: 4-5		
Question and Exercise 4-8	Section: Supply		

Question and Exercise 4-8
Derive the market supply curve from the following two individual supply curves.

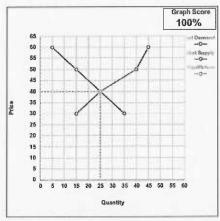
Instructions: On the graph above, click the plotter tool and drag the point to the location on the market supply curve when price is 0. Return to the plotter tool to identify quantity supplied in the market when price is 4. Return one last time to the plotter tool to identify quantity supplied in the market when price is 8. To remove a point from the graph, drag the point off an edge of the graph.

10 . award: 10 out of 10.00 points or adjust credit for all students. points

Question and Exercise 4-9
You're given the following demand and supply tables:

		Demand	
P	D_i	D ₂	D.
\$30	20	5	10
40	15	3	7
50	10	0	5
60	5	0	C
	2	Supply	
p	S _i	Supply S ₂	s,
P \$30	S ₁		S ₂
		s,	
\$30	0	<i>S</i> ₂	11

a Draw the market demand and market supply curves



b. What is excess supply/demand at price \$30? Price \$60?

At price \$30 excess demand o is 20 .

At price \$60 excess supply is 40 .

c. Label equilibrium price and quantity.

Instructions: On the graph above for Part c), click the plotter tool and drag the first point you want to plot onto the grid. Continue clicking and dragging the plotter tool until you have identified all of the necessary points for each of the market demand and supply curves. To remove a point from the graph, drag the point off an edge of the graph.

Save Comment	eBook Link Graphing	Learning Objective 4-6	N. M. A. Mad. Institutes H. M. H. Pric. 1977. https://doi.org/10.100/10.1004/1
	······································		

Question and Exercise 4-9
You're given the following demand and supply tables:

P	D ₁	Demand D ₂	D.
\$30	20	5	10
40	15	3	7
50	10	0	8
60	5	0	C
p	S,	Supply S ₂	S,
\$30	0	4	11
40	0	8	17
50	10	12	18
60	10	15	20

a Draw the market demand and market supply curves

b. What is excess supply/demand at price \$30? Price \$60?

At price \$30 excess demand is 20

At price \$60 excess supply is 40

c. Label equilibrium price and quantity.

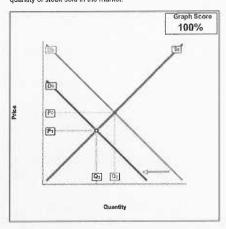
Instructions: On the graph above for Part c), click the plotter tool and drag the first point you want to plot onto the grid. Continue clicking and dragging the plotter tool until you have identified all of the necessary points for each of the market demand and supply curves. To remove a point from the graph, drag the point off an edge of the graph.

Explanation:

b. At a price of \$30, quantity demanded is 35 and quantity supplied is 15. Excess demand is 20. At a price of \$60, quantity demanded is 5 and quantity supplied is 45. Excess supply is 40.

11.	award: 10 out of 10,00 points	Award	10	points or adjust cree	dit for all students.
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Question and Exercise 4-10 It has just been reported that eating red meat is bad for your health. Using supply and demand curves, demonstrate the report's likely effect on the equilibrium price and quantity of steak sold in the market.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.

The equilibrium price falls .

The equilibrium quantity falls .

Comment:		
	<u>*</u>	
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Graphing	Learning Objective 4-7	
Question and Exercise 4-10	Section: The Interaction of Supply and Demand	

Question and Exercise 4-10
It has just been reported that eating red meat is bad for your health. Using supply and demand curves, demonstrate the report's likely effect on the equilibrium price and quantity of steak sold in the market.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.

The equilibrium price falls.

The equilibrium quantity falls.

Explanation:

10.00 points	<u>dijust credit</u> for all students.	
Question and Exercise 4-11 Why does the price of airline tickets rise du	uring the summer months?	
The demand for air travel shifts to the	the right, increasing price and quantity supplied.	
Demonstrate your answer graphically.		
	Sraph Score	
6.	100%	
PI		
	,	
[3] Q1		
Quantity		
2		
had all and On the south above all al.	and drag the appropriate curve to a new position to answer this question. When you release your mou	es button the
Comment:	2	
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Save Comment eBook Link Graphing	Learning Objective 4-7	
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Save Comment eBook Link Graphing Question and Exercise 4-11 Question and Exercise 4-11	Learning Objective 4-7 Section: The Interaction of Supply and Demand uring the summer months?	
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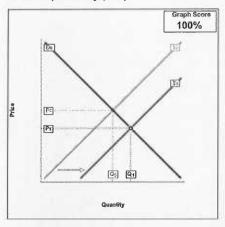
award: 10 out of 10.00 13. Award 10 points or adjust credit for all students

Question and Exercise 4-12

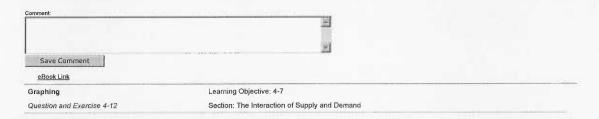
Why does sales volume rise during weeks when states suspend taxes on sales by retailers?

A reduction in taxes shifts the supply curve to the right.

Demonstrate your answer graphically.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.



Question and Exercise 4-12
Why does sales volume rise during weeks when states suspend taxes on sales by retailers?

A reduction in taxes shifts the supply curve to the right

Demonstrate your answer graphically

instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.

Explanation:

Sales volume increases (equilibrium quantity rises) when the government suspends the tax on sales by retailers because the price to demanders falls and hence equilibrium quantity demanded rises. This occurs because the supply curve shifts to the right because suppliers do not have to pay taxes on their sales (cost of production declines).

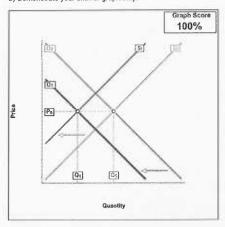
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Question and Exercise 4-13

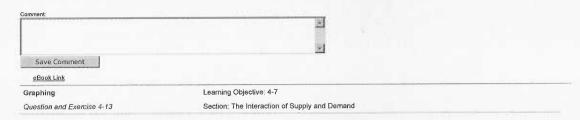
a) What is the expected impact of increased security measures imposed by the federal government on airlines on fares and volume of travel?

Airlines on fares uncertain 😻 and volume of travel decreases 🗶

b) Demonstrate your answer graphically.



Instructions: On the graph above, click and drag one or both of the appropriate curves to new positions to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.



Question and Exercise 4-13

a) What is the expected impact of increased security measures imposed by the federal government on airlines on fares and volume of travel?

Airlines on fares uncertain and volume of travel decreases

b) Demonstrate your answer graphically.

Instructions: On the graph above, click and drag one or both of the appropriate curves to new positions to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.

Explanation:

Increased security measures imposed by government will increase the cost of providing air travel. This will shift the supply curve to the left. They also might reduce demand (the

		Score; 330 out of 330 points (100%)
15.	award: 10 out of 10.00 points	Award 10 points or <u>adjust credit</u> for all students.
	Question and Explain wha	d Exercise 4-14 It a sudden popularity of "Economics Professor" brand casual wear would likely do to prices of that brand.
	. 0	The increase in demand would lead to excess demand, which will lead to lower prices and higher quantity demanded.
	C	The increase in demand would lead to an increase in supply and increased quantity sold.
	c	The increase in demand would lead to excess quantity demanded, which will lead to lower prices and an increase in supply. The result is higher equilibrium quantity.
	00	The increase in demand would lead to excess demand, which will lead to higher prices. The net result is higher equilibrium price and quantity.
	Comment:	
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	Multiple C	hoice Learning Objective: 4-7
	Question	and Every'se 4.14 Section: The interaction of Supply and Demand

6.	award: 10 out of 10.00 points	Award 10 poi	ints or <u>adjust credit</u> for all students.				
		er?	s ironically tend to decline because the pumps and water lines are damaged. What will a flood likely do to prices of				
	0 •	The price of bottled water will increase because bottled water is a substitute for water from pumps and waterlines. Demand for bottled water would increase enormously, leading to upward pressure on prices.					
	(The price of bottled water will not be affected because people realize that bottled water will be in short supply.					
	The price of bottled wate leading to upward pressu		ater will increase because bottled water is a complement to water from pumps and waterlines. Demand for bottled water would increase, ssure on prices.				
	C	The price of bottled wa enormously, leading to	ater will decrease because bottled water is a substitute for water from pumps and waterlines. Demand for bottled water would increase o downward pressure on prices.				
	Comment:						
			4				
			■				
	Save C	Comment					
	eBook Li	ink					
	Multiple C	hoice	Learning Objective: 4-7				
	Question a	and Exercise 4-15	Section: The Interaction of Supply and Demand				

		350 out of 350 points (100%)
17.	award: 10 out of Award 10 points or act 10.00 points	<u>diust credit</u> for all students.
	Question and Exercise 4-16 The price of gas shot up significantly in mileage than the typical car?	n 2008 to over \$4.00 a gallon. What effect did this likely have on the demand for diesel cars that get better
	C. The quantity demanded of die	isel cars will increase.
	 The demand for diesel cars w 	ill increase.
	C The demand for diesel cars w	ill decrease.
	C The quantity demanded of die	sel cars will decrease.
	Comment	
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	****	Learning Objective: 4-7
	Multiple Choice Question and Exercise 4-16	Section: The Interaction of Supply and Demand
	Question and Exercise 4-10	decipit. The interaction of cuppy and beniand

18. 10 out of 10,00 Award 10 points or adjust credit for all students.

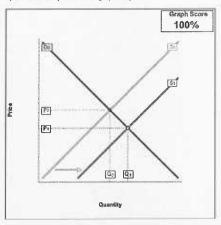
Question and Exercise 4-17

OPEC announces it will increase oil production by 20 percent.

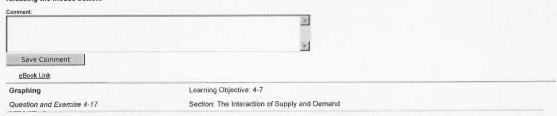
a) What is the effect on the price of oil?

The effect on the price of oil decreases.

b) Demonstrate your answer graphically.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.



Question and Exercise 4-17
OPEC announces it will increase oil production by 20 percent.

a) What is the effect on the price of oil?

The effect on the price of oil decreases.

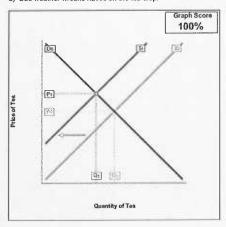
b) Demonstrate your answer graphically.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. When you release your mouse button the curve should snap to a new position. If the curve returns to its original position try clicking and dragging the curve further in the desired direction before releasing the mouse button.

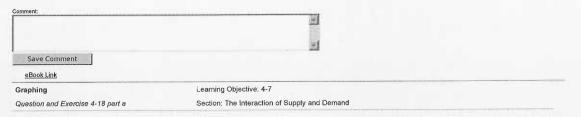
uestion and Exercise 4-18 req	uired information
raw hypothetical supply and o ocurrences:	temand curves for tea. Show how the equilibrium price and quantity will be affected by each of the following
Section Break	Question and Exercise 4-18 required information
ward:	
A	oints or <u>adjust credit</u> for all students.

Question and Exercise 4-18 part a

a) Bad weather wreaks havoc on the tea crop.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.



Question and Exercise 4-18 part a
a) Bad weather wreaks havoc on the lea crop.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

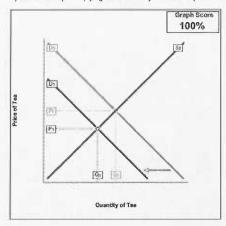
Explanation:

The bad weather causes a decrease in supply. This is shown by a shift in supply from S0 to S1. Equilibrium price rises from P0 to P1 while equilibrium quantity falls from Q0 to Q1.

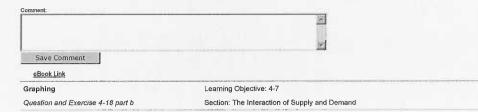
20.

award: 10 out of 10.00 Award 10 points or adjust credit for all students. points

Question and Exercise 4-18 part b
b) A medical report implying tea is bad for your health is published.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.



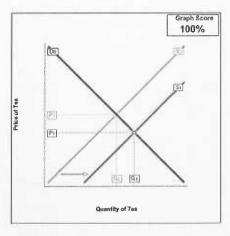
Question and Exercise 4-18 part b
b) A medical report implying tea is bad for your health is published.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question. Explanation:

The medical report causes a decrease in demand. This is shown by a shift in demand from D₀ to D₁. Equilibrium price falls from P₀ to P₂ and equilibrium quantity falls from Q₀ to Q₁.

21. 10 out of Award 10 points or adjust credit for all students.

> Question and Exercise 4-18 part c c) A technological innovation lowers the cost of producing tea.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

Save Comment	
eBook Link	
eBook Link Graphing	Learning Objective: 4-7

Question and Exercise 4-18 part c
c) A technological innovation lowers the cost of producing tea.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

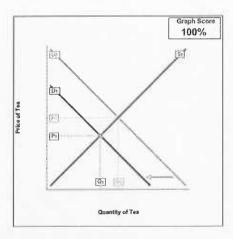
Explanation:

The innovation causes an increase in supply. This is shown as a shift in supply from S_Q to S_γ. Equilibrium price falls from P_ξ to P_Q while equilibrium quantity rises from Q_ξ to Q_Q.

22. award:
10 out of
10.00
points

Award 10
points or <u>adjust credit</u> for all students.

Question and Exercise 4-18 part d
d) Consumers' income falls. (Assume tea is a normal good.)



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

Comment:	
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Graphing	Learning Objective: 4-7
Question and Exercise 4-18 part d	Section: The Interaction of Supply and Demand

Question and Exercise 4-18 part d
d) Consumers' income falls. (Assume tea is a normal good.)

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

Explanation:

The drop in income causes a decrease in demand. This is shown by a shift in demand from D₀ to D₁. Equilibrium price falls from P₀ to P₂ and equilibrium quantity falls from Q₀ to Q₁.

Score 330 out of 330 points (100%) Question and Exercise 4-20 required information In the United States, say gasoline costs consumers about \$2.50 per gallon. In Italy, say it costs consumers about \$6 per gallon. What effect does this price differential likely have on Section Break Question and Exercise 4-20 required information Section: The Interaction of Supply and Demand 10 out of 10.00 23. Award 10 points or adjust credit for all students. Question and Exercise 4-20 part a a) The size of cars in the United States and in Italy? C The cars in Italy are most likely the same as those in the United States. The cars in Italy are most likely much smaller than in the United States C The cars in Italy are most likely much bigger than in the United States. The size of the cars in the two countries cannot be compared. The cars in Italy are most likely much smaller than in the United States. Italians would be likely to want to conserve gasoline and thus demand smaller cars that use less gasoline. 100 Save Comment eBook Link Learning Objective 4-7 **Multiple Choice** Section: The Interaction of Supply and Demand Question and Exercise 4-20 part a 24. 10 out of 10.00 Award 10 points or adjust credit for all students Question and Exercise 4-20 part b b) The use of public transportation in the United States and in Italy? C Italians likely use public transportation the same that Americans use it. C Italians likely use public transportation less than Americans use it. Public transportation usage cannot be compared between the two countries. Italians likely use public transportation more than Americans use it. ٨ Save Comment eBook Link Learning Objective 4-7 **Multiple Choice** Question and Exercise 4-20 part b Section: The Interaction of Supply and Demand 25. 10 out of 10.00 Award 10 points or adjust credit for all students. points Question and Exercise 4-20 part c c) The fuel efficiency of cars in the United States and in Italy? The cars in Italy are most likely less fuel efficient than in the United States. The cars in Italy most likely have the same fuel efficiency as those in the United States. The cars in Italy are most likely more fuel efficient than in the United States C The fuel efficiency of cars cannot be compared between the two countries. ¥

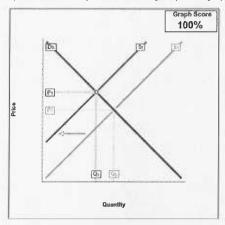
Multiple Choice Question and Exercise 4-20 part c	Learning Objective: 4-7 Section: The Interaction of Supply and Demand	
award: 10 out of 10.00 points	<u>t credit</u> for all students.	
Question and Exercise 4-20 part d		
	e of gasoline in the United States to \$4 per gallon?	
It will <u>decrease</u> the size of cars driven in	the U.S., increase 🖉 U.S. use of public transportation, and increase 🖉 the fuel efficiency of cars purchased in the U.S.	
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Worksheet	Learning Objective: 4-7	
Question and Exercise 4-20 part d	Section: The Interaction of Supply and Demand	
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Question and Exercise 4-20 part d d) What would be the effect of raising the pric	e of gasoline in the United States to \$4 per gallon?	
d) What would be the effect of raising the pric	e of gasoline in the United States to \$4 per gallon? J.S., increase U.S. use of public transportation, and increase the fuel efficiency of cars purchased in the U.S.	
d) What would be the effect of raising the pric		

27. 10 out of 10,00

Award 10 points or adjust credit for all students.

Question and Exercise 4-21 In 2004, Argentina imposed a 20 percent tax on natural gas exports.

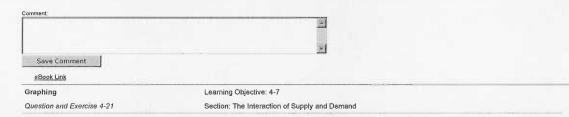
a) Demonstrate the likely effect of that tax on gas exports using supply and demand curves.



Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

b) What did it likely do to the price of natural gas in Argentina?

The tax will likely reduce the price of natural gas in Argentina as more gas is diverted to the domestic market, 🤣



Question and Exercise 4-21 In 2004, Argentina imposed a 20 percent tax on natural gas exports.

a) Demonstrate the likely effect of that tax on gas exports using supply and demand curves.

Instructions: On the graph above, click and drag the appropriate curve to a new position to answer this question.

b) What did it likely do to the price of natural gas in Argentina?

The tax will likely reduce the price of natural gas in Argentina as more gas is diverted to the domestic market.

The tax shifts the supply curve to the left because it increases the cost of supplying the natural gas abroad. Equilibrium price rises while equilibrium quantity declines.

28.

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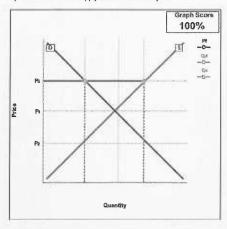
Question and Exercise 4-22

In most developing countries, there are long lines of taxis at airports, and these taxis often wait two or three hours.

a) What does this tell you about the price in that market?

Price is above o equilibrium. There is an excess supply

b) Demonstrate with supply and demand analysis.



Instructions: On the above graph, click and drag the plotter tool Pf. This will place a horizontal straight line on the graph. Click and drag the line until the line is placed to the appropriate location. Click and drag the "Qd" to the appropriate location on the graph. Repeat the same process for the "Qs". To remove the line from the graph, drag the line off an edge of the graph.

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Graphing	Learning Objective, 4-7
Question and Exercise 4-22	Section: The Interaction of Supply and Demand

Question and Exercise 4-22
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Explanation.

29.	award: 10 out of 10.00 points	Award 10 points or adjust credit for all students.
		d Exercise 4-23 allacy of composition. How does it affect the supply/demand model?
	С	The fallacy of composition is the false assumption that what is true for a whole is also true for the part. It affects the supply/demand model by drawing our attention to the possibility that supply and demand are interdependent. Feedback effects must be taken into account to make the analysis complete.
	C	The fallacy of composition is the false assumption that the whole is made up of unrelated parts. It affects the supply/demand model by drawing our attention to the possibility that supply and demand are interdependent. Feedback effects must be taken into account to make the analysis complete.
0		The fallacy of composition is the false assumption that what is false about the parts is also false about the whole. It affects the supply/demand model by drawing our attention to the possibility that supply and demand are interdependent. Feedback effects must be taken into account to make the analysis complete.
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	V	ding CDs on the price of CDs.	
	C No		
	The CD market is relatively small. Supply/dem	nand analysis would be appropriate without modification.	
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