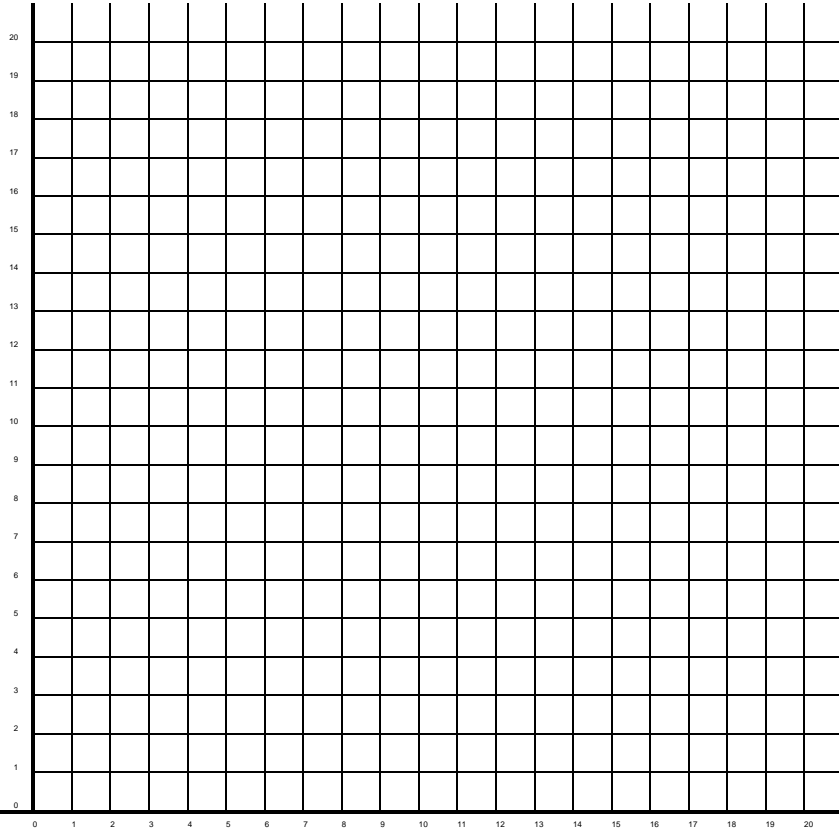


Practice Test for Non-Multiple Choice Portion Chapters 5,6,7,8

Answers will be on Blackboard

Demand:  $P=19-Q$  Supply:  $P=1+2Q$



1.a. In Equilibrium, what are the

Price \_\_\_\_\_

Quantity \_\_\_\_\_

Total Revenue \_\_\_\_\_

Consumer Surplus \_\_\_\_\_

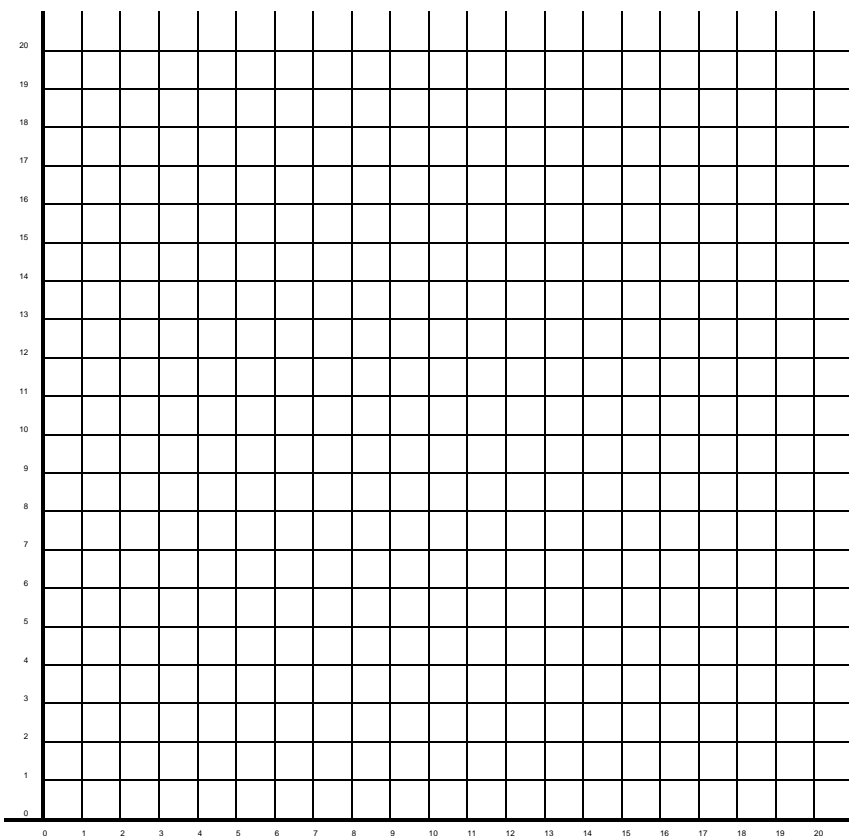
Producer Surplus \_\_\_\_\_

Total Benefit \_\_\_\_\_

Total Surplus \_\_\_\_\_

Variable Cost \_\_\_\_\_

Label the CS, PS and VC on the graph



Now assume that a price ceiling of \$7 is imposed. Now, what will be the

Price \_\_\_\_\_

Quantity Demanded \_\_\_\_\_

Quantity Supplied \_\_\_\_\_

Total Revenue \_\_\_\_\_

Consumer Surplus \_\_\_\_\_

Producer Surplus \_\_\_\_\_

Total Benefit \_\_\_\_\_

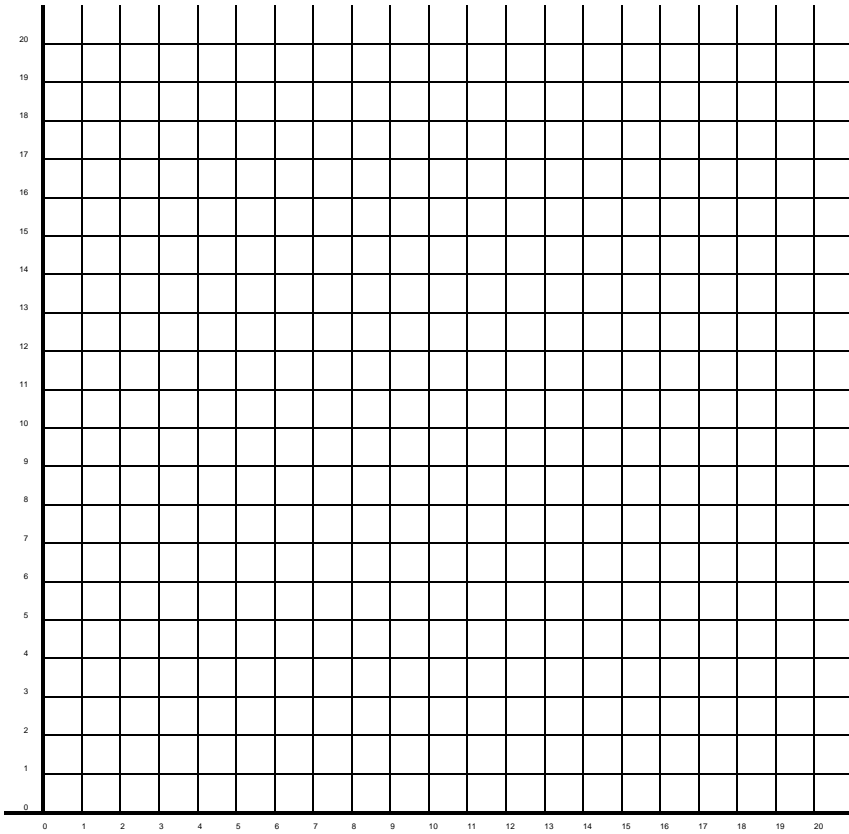
Total Surplus \_\_\_\_\_

Variable Cost \_\_\_\_\_

Deadweight Loss \_\_\_\_\_

Label the CS, PS, VC, and DWL on the graph

Using your answers from the above: When the price decreases from \$13 to \$7, calculate the price elasticity of demand \_\_\_\_\_. Calculate the Price Elasticity of Supply \_\_\_\_\_.



Now assume that a production quota of 4 units is imposed. Now, what will be the

Price \_\_\_\_\_

Quantity Supplied \_\_\_\_\_

Total Revenue \_\_\_\_\_

Consumer Surplus \_\_\_\_\_

Producer Surplus \_\_\_\_\_

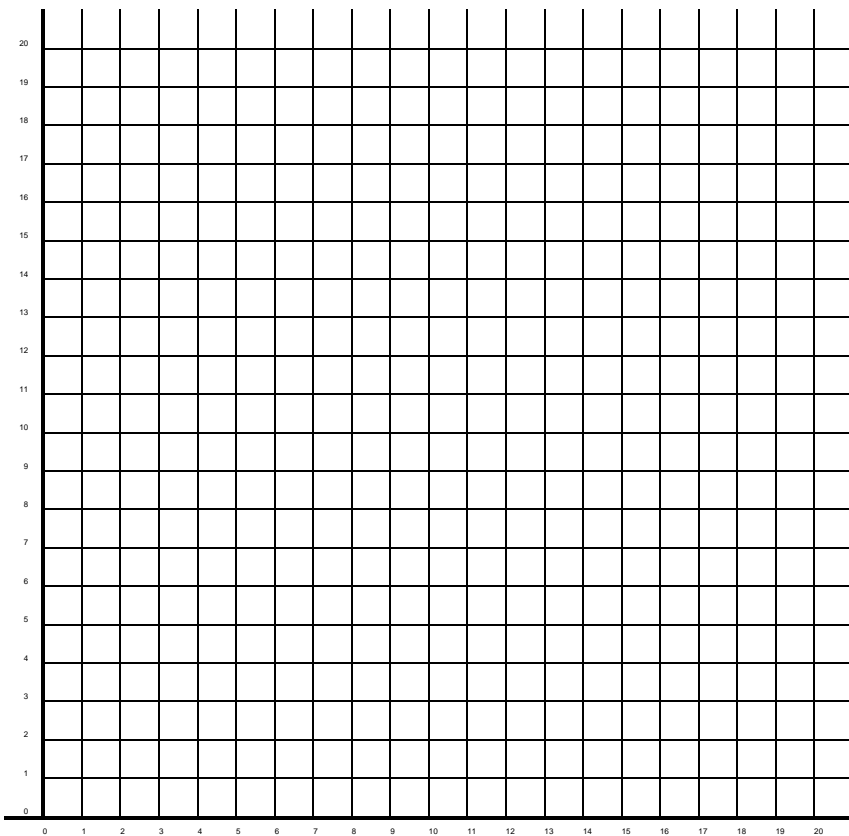
Total Benefit \_\_\_\_\_

Total Surplus \_\_\_\_\_

Variable Cost \_\_\_\_\_

Deadweight Loss \_\_\_\_\_

Label the CS, PS, VC, and DWL on the graph



Now assume that the government puts a \$3 tax on the product. Now, what will be the  
Consumer Price (including the \$3 tax) \_\_\_\_\_

Producer Price (minus the \$3 tax) \_\_\_\_\_

Quantity \_\_\_\_\_

Total Revenue (use Producer Price) \_\_\_\_\_

Consumer Surplus \_\_\_\_\_

Producer Surplus \_\_\_\_\_

Total Benefit \_\_\_\_\_

Total Surplus \_\_\_\_\_

Variable Cost \_\_\_\_\_

Tax Revenue \_\_\_\_\_

Deadweight Loss \_\_\_\_\_

Label the CS, PS, VC, and DWL on the graph



**Also, make sure you can explain what every number means! I will be asking you to explain a few!**