



**Q1: - Multiple choice questions**

- 1 - When we expect Increase in income, we ..... in current demand.  
**A. Increase B. Change C. Decrease D. No change**
- 2- When we expect Decrease in income, we ..... in current demand.  
**A. Increase B. Change C. Decrease D. No change**
- 3- If Steve tends to buy T-shirts and shorts together, what would you call T-shirts and shorts?.....  
**A. Substitute goods B. Normal goods C. Inferior good D. Complementary good**
- 4- Market in which there is many seller& buyers is .....
- A-Monopoly market B. oligopoly market. C. Competitive market D. Other market**
- 5- Market in which there is only one seller is.....
- A-Monopoly market B. oligopoly market. C. Competitive market D. Other market**
- 6- Law of demand; when other things equal and the price of the good ..... Quantity demand of a good .....
- A-Fall. Rises B. falls, falls C. rises, rises D. rises, falls**
- 7-Law of supply ; when other things equal and the price of the good ..... Quantity supply of a good .....
- A-Fall. Rises B. falls, falls C. rises, rises D. rises, falls**
- 8- Any change that increases the quantity supply at every price supply curve shifts .....
- A-Left B- right C- up D- down**
- 9- Any change that increases the quantity demand at every price demand curve shifts .....
- A-Left B- right C- up D- down**
- 10- when Other things constant increase in income leads to a increase in demand on that good is .....
- A- Inferior good B- Complements goods C- public good D- Normal good**
- 11-when Other things constant decrease in income leads to decrease in demand on that good is .....
- A- Inferior good B- Complements goods C- public good D- Normal good**

12- The word "economy" comes from the Greek word oikonomos, which means.....

A- Environment B. production C. one who manages a household D. One who makes decisions?

13- In a market economy, economic activity is guided by.....

A-The government B. the president C. self-interest and prices D-Central planers

14 ..... when the market fails to allocate society's resources efficiently A- market frailer

B- Foregone wages C- value of the time D- existing plan

15-..... Signals that guide the allocation of resources

A- Productivity B. Prices C- Efficiency D- Monopoly

16- Goods offered for sale are all exactly the same .....

A- monopoly market B-perfectly competitive market C-competitive market D-Non of them

17-.....Relationship between the price of a good and quantity demand

A-Demand schedule B-quantity demand C- individual demand D- supply

18- .....increases in the general level of prices.

A-productivity B- market power C- efficiency D- inflation

19- .....Balances quantity supplied & quantity demanded.

A-Quantity B- Equilibrium Quantity C-Equilibrium price D- demand

20- ..... quantity supplied more than quantity demanded.

A-shortage B- equilibrium price C- surplus D- equilibrium quantity

21- Normal good is .....but Inferior good is .....

A-positive income elasticity B- Negative income elasticity C- Elastic demand B-Elastic supply

22- .....Goods typically used in place of one another.

A-Complements B- Necessities C-Luxuries D- Substitutes

23- .....Goods that are typically used together .

A-Substitutes B-Luxuries C -Necessities D -Complements

24- .Goods typically used in place of one another are .....

A-positive cross -price elasticity B-Negative cross -price elasticity C- Shortage B-Surplus

25- If demand is inelastic ,when price increase total revenue ..... A- Decrease  
B- Increase C - Constant D- Change

Q2 – There is some variables that can shift the demand curve. -Explain them with diagram.

Q3- There is some variables that can shift the supply curve. -Explain them with diagram.

Q4-There are some warning reduce quantity demand of smoking .Explain them with diagram.

Q5- How we can reduce quantity demand of smoking by tax with diagram.

**Q 6 -** Define these terms

1. Market power, Equilibrium price , Rational people ,Shortage , Equality, Inelastic demand ,Total revenue , Elastic supply , Efficiency , Equality , Market power , Microeconomics , surplus , productivity

Q7- Using supply and demand curves, explain the Equilibrium of the market, with the reasons for the an equilibrium

Q8-How total revenue changes when price changes , Explain with diagram.

Q- How these principle work in economy

1- Trade can make every one better off.

2- Prices rise when the government prints too much money .

3- Society faces a short- run trade off between inflation & unemployment.

4- Rational people think at the margin

Q9- Explain a shift in both supply and demand curves.

Q10- If you have this information ,calculate price elasticity of demand with diagram.

Witch kind of elasticity ?

Price =4 quantity demand =100

Price change to 5 quantity demand= 80

R- If you have this information ,calculate price elasticity of Supply with diagram.

Witch kind of elasticity ?

Price =4 quantity supply =100

Price change to 5 quantity supply =125

Q - Explain how can good news for farming be bad news for farmer ?