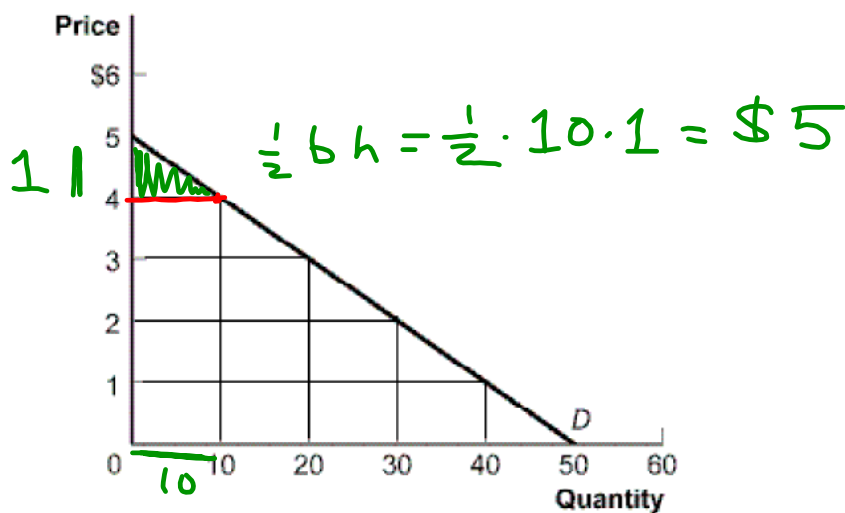


1. ANS: C PTS: 1
MSC: Critical Thinking
2. ANS: B PTS: 1
MSC: Critical Thinking
3. ANS: A PTS: 1
MSC: Critical Thinking
4. ANS: D PTS: 1
MSC: Critical Thinking
5. ANS: B PTS: 1
MSC: Critical Thinking
6. ANS: D PTS: 1
MSC: Critical Thinking

Figure 49-3: Consumer Surplus III



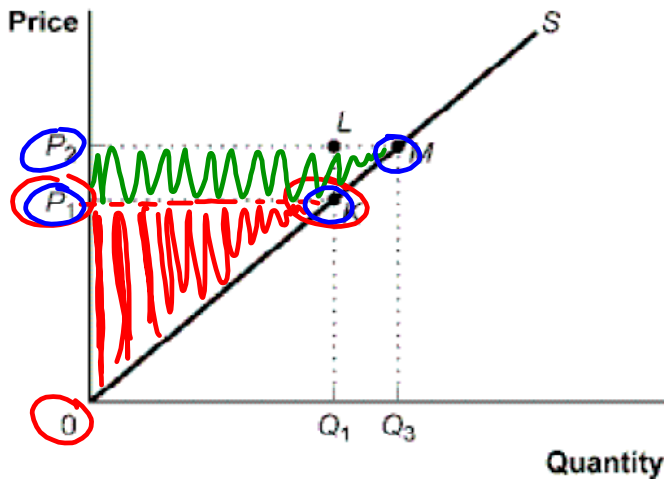
3. (Figure 49-3: Consumer Surplus III) If the price of the good is \$4, consumer surplus will equal:
- a. \$5.
 - b. \$10.
 - c. \$20.
 - d. \$40.
 - e. \$15.

4. Adie wants to take some online classes this semester. She is willing to pay \$1,000 for the first class, \$800 for the second, \$700 for the third, and \$500 for the fourth. If online classes cost \$750, Adie will take _____ online classes and her consumer surplus will equal _____.

- a. 3; \$350
- b. 4; \$600
- c. 2; \$400
- d. 2; \$300
- e. 2; \$1,500

willing: \$1000 1st ✓ CS 250
 800 2nd ✓ 50
 700 3rd
 500 4th
\$300

Figure 49-8: Producer Surplus II



5. (Figure 49-8: Producer Surplus II) At a price of P_1 , producer surplus equals the area:

- a. LMK .
- b. P_1KQ_1 .
- c. P_2M0 .
- d. P_2P_1KM .
- e. $0P_1KQ_1$.

6. (Figure 49-8: Producer Surplus II) If the price falls from P_2 to P_1 , producer surplus decreases by the area:
- LMK .
 - P_1K0 .
 - P_2M0 .
 - P_2P_1KM .
 - Q_1KMQ_3 .

4 - Test 1

A & Z complements.

price of Z \uparrow
Q demanded of Z \downarrow
Demand for A \downarrow

Topic.

Tax incidence: who pays the tax

in the end, consumer and producer will share tax burden

