Name ___________________________ Class ____________________ Date __________

QUIZ A

Combining Supply and Demand

3

A. Key Terms and Concepts

Directions: *Match an item in Column II with one of the descriptions below.*

Column I

______ **1.** point at which quantity demanded equals quantity supplied

______ **2.** when quantity supplied is not equal to quantity demanded

______ **3.** when quantity demanded is more than quantity supplied

______ **4.** legal maximum that can be charged for a good

______ **5.** government-set price floor on earnings

______ **6.** when quantity supplied is greater than quantity demanded

Column II

a. price ceiling
b. minimum wage
c. equilibrium
d. price floor
e. shortage
f. rent control
g. surplus
h. disequilibrium

B. Main Ideas

Directions: *Write the letter of the correct answer in the blank provided.*

______ **7.** When there is a shortage of a good, what happens to the price?

a. It remains unchanged.
b. It increases.
c. A price ceiling is imposed.
d. It decreases.

______ **8.** What is the government's goal in buying excess crops or other agricultural products?

a. to raise minimum wage
b. to keep prices from going down
c. to set legal price ceilings
d. to lower prices

______ **9.** What happens when a market is in disequilibrium and prices are flexible?

a. Market forces push toward equilibrium.
b. Sellers waste their resources.
c. Excess demand is created.
d. Unsold perishable goods are thrown out.

______ **10.** Why does a government place price ceilings, such as rent control, on some "essential" goods?

a. to prevent inflation during boom times
b. to keep business people from making large profits
c. to keep the goods from becoming too expensive
d. to reduce demand for these goods

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