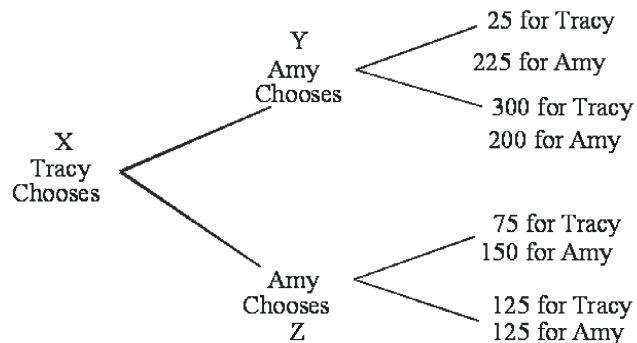


# Econ 201, Microeconomics Principles, Final Exam

## Version 1

**Instructions:** Please complete your answer sheet by filling in your name, student ID number, and identifying the version of your test (1 or 2). Remember to fill in your response circles completely with a number 2 pencil. This is a closed book and not exam, and you may not use a calculator.



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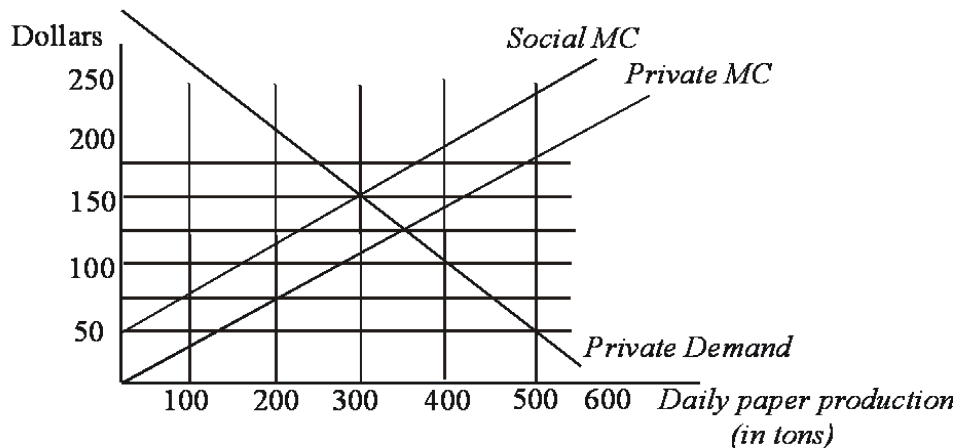
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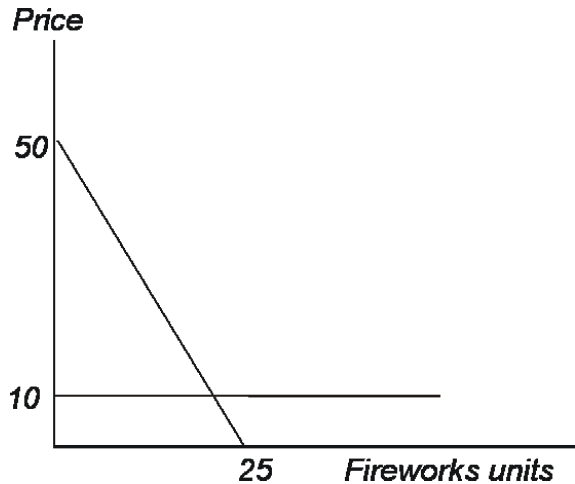
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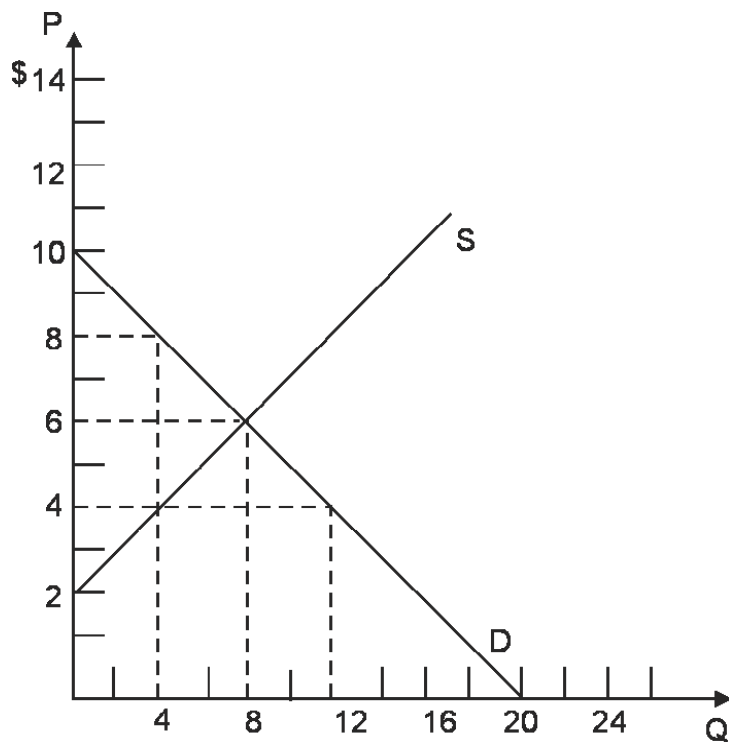
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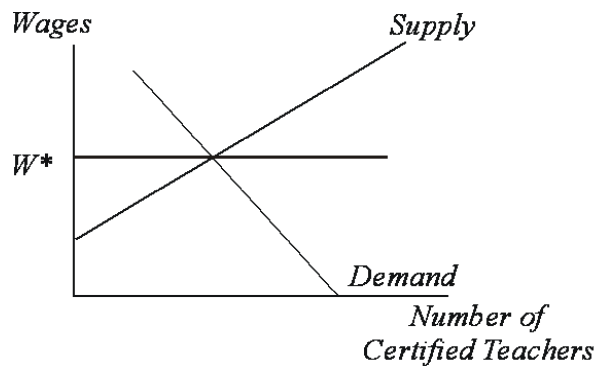
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- A. There is excess demand for this concert at the Ticketmaster price.
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- E. The concert completely sold out at the Ticketmaster price.

33. Assuming consumers eat either rice or pasta for dinner every night. If the price of rice increases, in the pasta market one would expect to see

- A. increase in the quantity of pasta demanded.
- B. increase in the demand for pasta.
- C. decrease in the quantity of pasta demanded.
- D. decrease in the demand for pasta.
- E. indeterminate change in the pasta market.

34. Increases in the prices firms pay for inputs causes a(n)

- A. decrease in quantity supplied.
- B. increase in supply.
- C. increase in quantity supplied.
- D. decrease in supply.
- E. output prices to fall.

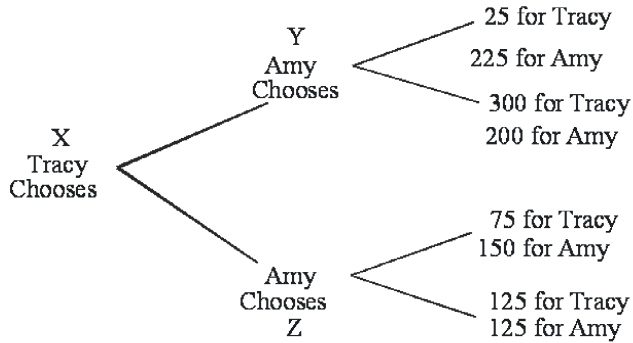
35. Suppose that the production of oranges reduces global warming by .1%. The equilibrium price of oranges is \_\_\_\_\_ because not all of the \_\_\_\_\_ are accounted for in the marketplace.

- A. too high; benefits
- B. too low; benefits
- C. too high; costs
- D. too low; costs
- E. optimal; costs

36. Consumer surplus measures

- A. marginal utility.
- B. total utility.
- C. the cumulative difference between real and nominal prices.
- D. the cumulative difference between price and maximum willingness to pay.
- E. the cumulative difference between the substitution effect and the income effect.

# Final Examination Key



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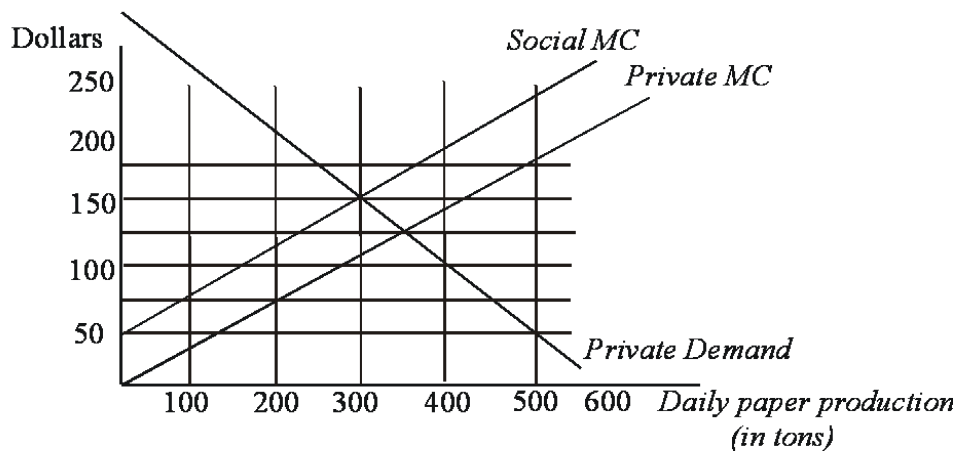
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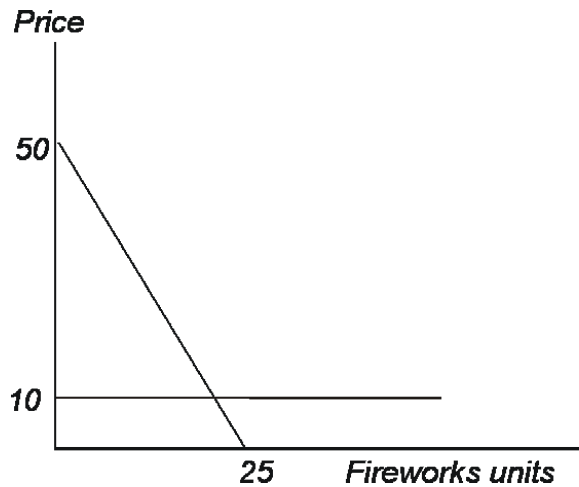
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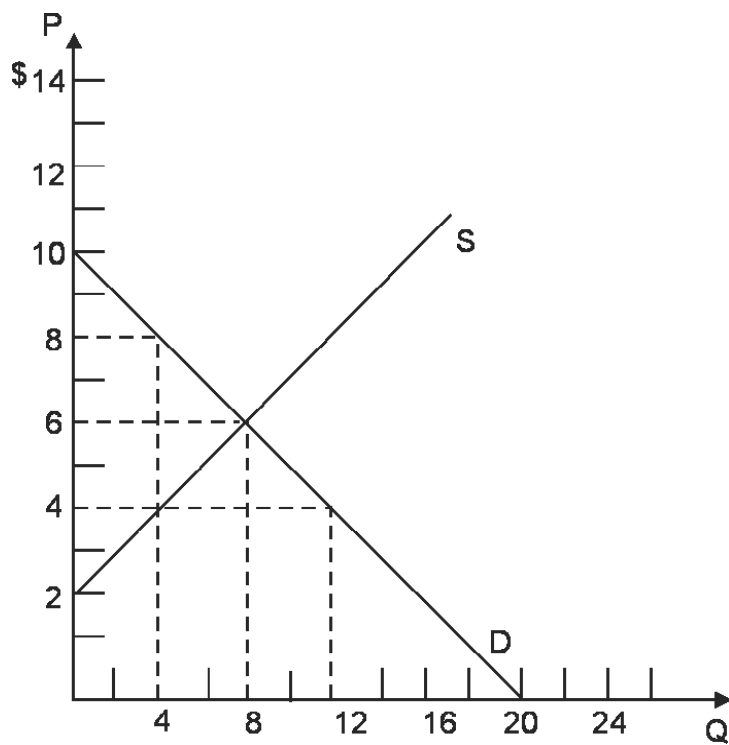
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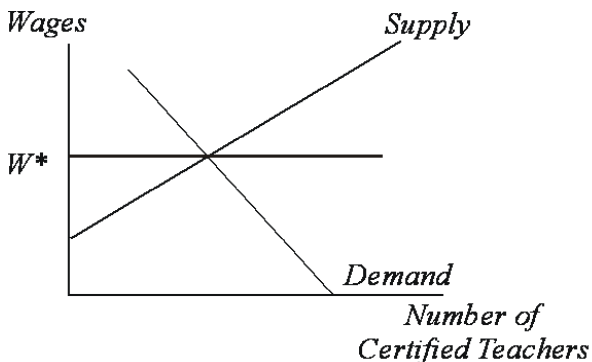
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- a. There is excess demand for this concert at the Ticketmaster price.
  - b. The ticket you bought was under-priced for the market.
  - C.** There is an excess supply of tickets for this concert at the Ticketmaster price.
  - d. The Ticketmaster price is an equilibrium price.
  - e. The concert completely sold out at the Ticketmaster price.

33. Assuming consumers eat either rice or pasta for dinner every night. If the price of rice increases, in the pasta market one would expect to see

- a. increase in the quantity of pasta demanded.
- B.** increase in the demand for pasta.
- c. decrease in the quantity of pasta demanded.
- d. decrease in the demand for pasta.
- e. indeterminate change in the pasta market.

34. Increases in the prices firms pay for inputs causes a(n)

- a. decrease in quantity supplied.
- b. increase in supply.
- c. increase in quantity supplied.
- D.** decrease in supply.
- e. output prices to fall.

35. Suppose that the production of oranges reduces global warming by .1%. The equilibrium price of oranges is \_\_\_\_\_ because not all of the \_\_\_\_\_ are accounted for in the marketplace.

- a. too high; benefits
- B.** too low; benefits
- c. too high; costs
- d. too low; costs
- e. optimal; costs

36. Consumer surplus measures

- a. marginal utility.
- b. total utility.
- c. the cumulative difference between real and nominal prices.
- D.** the cumulative difference between price and maximum willingness to pay.
- e. the cumulative difference between the substitution effect and the income effect.