

List the economic theory or law that corresponds to the descriptions below.	
	If your income doesn't change, you cannot afford to buy as much fast food because of the rise in gas prices.
	After Dish Network raises their rates, more people subscribe to DirectTV.
	As Kroger continues to lower the price of Oreos, they sell more Oreos.
	Customers show a willingness to pay twice as much as they currently do for Carrie Underwood concert tickets. As a result, she adds additional shows to her tour.
	After a long workout, you buy three bottles of water. The satisfaction you get from each bottle of water decreases with each bottle that you drink.





Use the Demand Schedule below to create a demand curve using the axes to the right. Title the graph and label the axes appropriately.

Wii Fit Plus Game for Nintendo Wii	
Price	Quantity
\$10	50,000
\$15	40,000
\$20	30,000
\$25	20,000
\$30	10,000



Circle the statements below that would cause the demand curve you just drew to shift to the right (increase).

- The Nintendo Wii console goes on sale.
- Microsoft lowers prices on the Kinect, a substitute for the Wii.
- A new study shows that Wii Fit Plus owners lose more weight than people that go to a gym.
- The US unemployment rate drops dramatically, resulting in an \$3,000 increase in the average salary for a full-time worker in the US labor force.

Circle the images that have <i>inelastic</i> demand.			
			
sugar	yacht	prescription medicine	gasoline

- Use the Supply Schedule below to create a supply curve using the axes to the right. Title the graph and label the axes appropriately.

Starbucks Medium Caramel Latte	
Price	Quantity
\$1	100
\$2	200
\$3	300
\$4	400
\$5	500



Circle the statements below that would cause the supply curve you just drew to shift to the left (decrease).

- A new coffee maker is developed that makes lattes faster, resulting in more profit for Starbucks.
- Starbucks closes 20% of their stores nationwide.
- The US Government imposes a tax on all imported coffee beans.

Follow the directions below left to label the graph below right.	
<ul style="list-style-type: none"> ➤ Circle the price on the <u>axis</u> that results in neither a surplus nor a shortage. ➤ Put a triangle around a price on the <u>axis</u> that would create a shortage of the good. ➤ Put a rectangle around a price on the <u>axis</u> that would create a surplus of the good. 	<p>Equilibrium</p>

Convince me in one or two sentences that Congress should vote to raise the minimum wage.

Convince me in one or two sentences that Congress should eliminate the minimum wage.

Is the minimum wage an example of a price ceiling or a price floor?