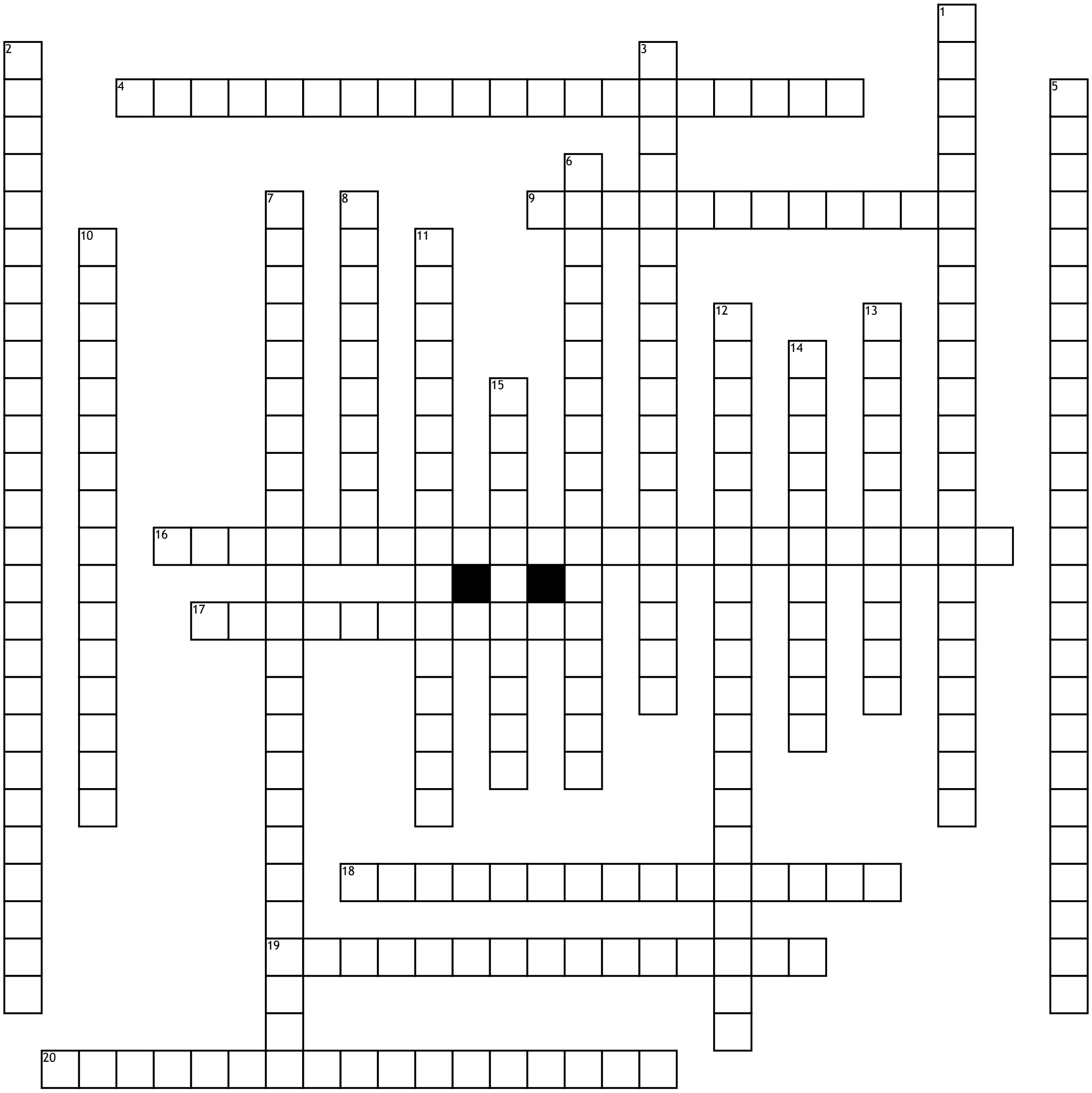
Name: ____ Date: _______

quiz



Across

4. a given percentage change in price leads to a larger percentage change in quantity demanded.

9. a commodity whose quantity demanded falls when the purchaser's real income rises, all other things remaining equal.

16. for product X to a change in the price of another product, Y, is the ratio of the percentage change in quantity demanded of X to the percentage change in the price of Y that brings about the change in quantity demanded.

17. a given percentage change in price leads to the same percentage change in quantity demanded.

18. is the one that best serves the objectives of the decision maker, whatever those objectives may be. It is selected by explicit or implicit comparison with the possible alternative choices. The term optimal connotes neither approval or disapproval of the objective itself.

19. of a commodity to a consumer (measured in money terms) is the maximum amount of money that she or he is willing to pay for one more unit of that commodity

20. shows how the total quantity of some product demanded by all consumers in the market during a specified period of time changes as the price of that product changes, holding all other things constant.

Down

1. a given percentage change in price leads to a smaller percentage change in quantity demanded.

2. the maximum amount of one commodity a consumer is willing to give up in exchange for one more unit of another commodity; also referred to as the marginal rate of substitution.

3. the amount of one commodity an individual must give up to obtain one additional unit of another commodity without any change in the amount of money spent.

5. the ratio of the percentage change in quantity demanded to the percentage change in price that brings about the change in quantity demanded.

6. connects all combinations of the commodities that are equally desirable to the consumer.

7. the ratio of the percentage change in quantity demanded to the percentage change in income.

8. graphically represents all possible combinations of two commodities that it can purchase by a household, given the prices of the commodities and some fixed amount of money.

10. the difference between the value to the consumer of the quantity of commodity x purchased and the amount that the market requires the consumer pay for that quantity of x.

11. a method for calculating optimal choices - the choices that best promote the decision maker's objective. It works by testing whether, and by how much, a small change in a decision will move things toward or away from a goal.

12. of a quantity of a good to a consumer (measured in money terms) is the maximum amount of money that he or she is willing to give up in exchange for it.

13. if an increase in the quantity consumed of one increases the quantity demanded of the other, all other things remaining constant.

14. a lower price generally increases the amount of a commodity that people in a market are willing to buy and also tends to increase the number of buyers. Therefore, for most goods, market demand curves have negative slopes.

15. if an increase in the quantity consumed of one cuts the quantity demanded of the other, all other things remaining constant.