

## Practice Questions from November 5th

1. If Mark's demand function for Jell-O is  $q = 100 - 2p$ , his inverse demand function for Jell-O is
  - (a)  $p = 100 - q$ .
  - (b)  $q = 50 - 0.5p$ .
  - (c)  $p = 50 - 2q$ .
  - (d)  $p = 50 - 0.5q$ .
  - (e)  $p = 100 - 2q$ .
2. The market demand function for blackberries is  $q = 100 - 0.1p$ . If the price of blackberries is \$100, consumer surplus is
  - (a) \$990.
  - (b) \$81,000.
  - (c) \$900.
  - (d) \$40,500.
  - (e) \$405.
3. Suppose that Jack and Jill are the only potential consumers of buckets. Jack's demand function for buckets is  $q = 10 - 2p$ , and Jill's inverse demand function for buckets is  $p = 5 - q/3$ . If the price of buckets is \$4, the quantity of buckets demanded by the market is
  - (a) 2,
  - (b) 4.
  - (c) 5.
  - (d) 8.
  - (e) 11/3.
4. The inverse demand curve for beer is  $p = 20 - 4q$ . If beers are placed in a cooler labeled "Free, please help yourself", what is the quantity demanded?
  - (a) an infinite amount (since it is free).
  - (b) 20.
  - (c) 4.
  - (d) 5.
  - (e) not enough information to tell.

5. Given the inverse demand function,  $p = 55 - 5q$ , the price elasticity of demand when price is \$20 is approximately
- (a) -1.22.
  - (b) -1.01.
  - (c) -0.97.
  - (d) -0.57.
  - (e) -0.33.
6. If the demand function for beets is  $q = 5$ , the price elasticity of demand is when price is \$2 is
- (a) -10.
  - (b) -0.2.
  - (c) 0.
  - (d)  $-\infty$ .
  - (e) -5.
7. Yanni's demand function for beef is  $q = 100 - 4p$ . If the price of beef increases from \$20 to \$21, Yanni would require an increase in income of approximately \_\_\_\_\_ in order to maintain the same level of total utility.
- (a) \$14
  - (b) \$2
  - (c) \$21
  - (d) \$1
  - (e) \$18
8. Suppose that Jim's demand function for chicken is  $q = 50 - 4p$ . How much (in total) would Jim be willing to pay for 20 chickens?
- (a) \$30.
  - (b) \$20.
  - (c) \$150.
  - (d) \$50.
  - (e) \$80.

9. Use the following table to answer the question below:

Price	Quantity demanded
30	0
20	15
10	30
0	45

The demand function for this good is

~~(a)  $p = 30 - 1.5q$ .~~

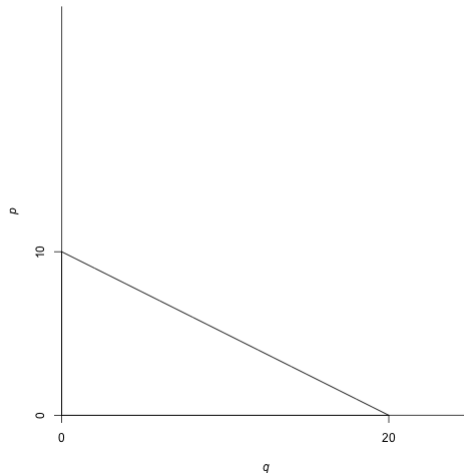
~~(b)  $q = 30 - p/3$ .~~

(c)  $q = 45 - 2p$ .

~~(d)  $p = 45 - 3q$ .~~

**(e)  $q = 45 - 1.5p$ .**

10. Use the following figure to answer the question below:



The demand function depicted in this figure is

~~(a)  $p = 10 - 0.5q$ .~~

~~(b)  $p = 20 - 2q$ .~~

~~(c)  $q = 10 - 2p$ .~~

~~(d)  $q = 10 - 0.5p$ .~~

**(e)  $q = 20 - 2p$ .**