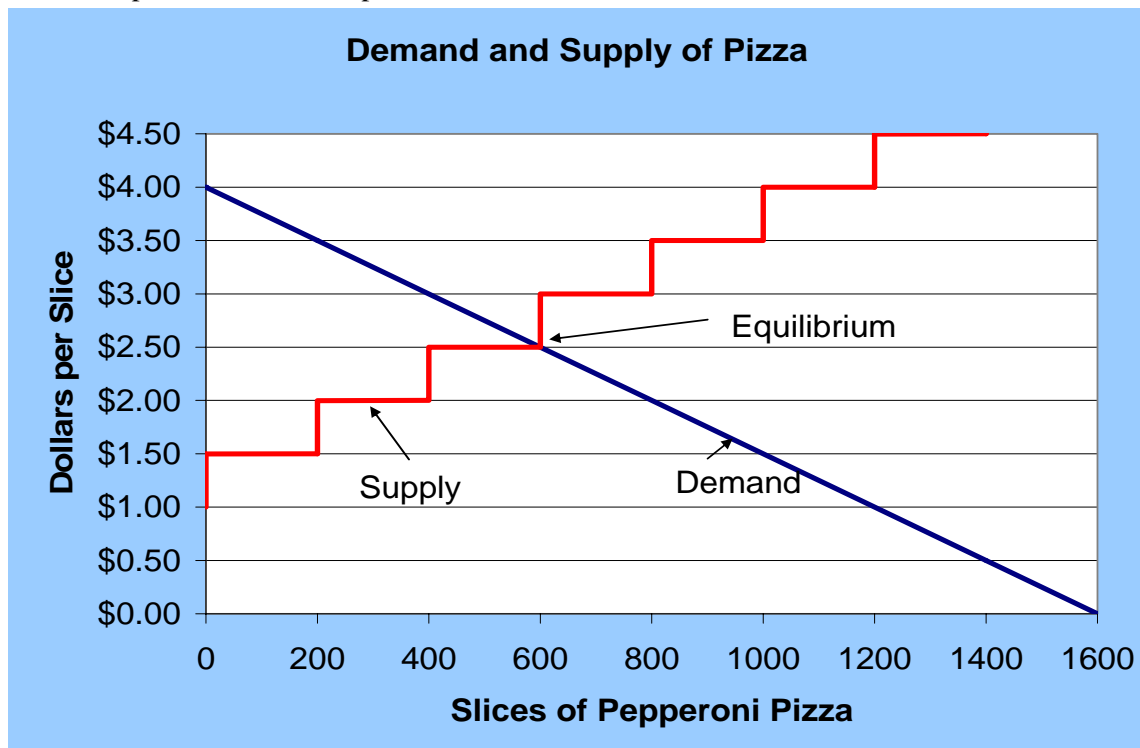


Econ 101 Class 5 Questions

1. Which of the following best explains why the quantity demanded of a slice of pepperoni pizza falls as the price of the slice rises? It falls because...
  - A. The opportunity cost of the slice grows smaller.
  - B. The opportunity cost of the slice grows larger. \*\*
  - C. Buyers have smaller effective incomes when the price of pizza rises.
  - D. Sellers have larger effective incomes when the price of pizza rises.
2. As the price of a slice of pizza rises, quantity demanded \_\_\_\_ and quantity supplied \_\_\_\_\_.
  - A. Rises, Rises
  - B. Rises, Falls
  - C. Falls, Rises \*\*
  - D. Falls, Falls
3. In equilibrium, the number of slices that will be denied to consumers even though consumers have a positive reservation price for those slices is \_\_\_\_\_.



- A. 0
- B. 600
- C. 1000 \*\*
- D. 1600