

Suppose that red wine is discovered to reduce likelihood of heart attacks.

- a) Price and quantity of red wine will both rise.
- b) Price and quantity of red wine will both fall.
- c) Price of red wine will rise and quantity will fall.
- d) Price of red wine will fall and quantity will rise.

Suppose that red wine is discovered to reduce likelihood of heart attacks.

- a) Price and quantity of white wine will both rise.
- b) Price and quantity of white wine will both fall.
- c) Price of white wine will rise and quantity will fall.
- d) Price of white wine will fall and quantity will rise.

The quantity of cell phones has increased in the last decade and the price has fallen. This could be because

- a) Technology has improved while demand has decreased.
- b) Technology has improved by more than demand has increased.
- c) Either a) or b) happened.
- d) Neither a) nor b) happened.

How would a decrease in consumers' incomes due to a recession affect the market for premium wine?

- a) Increase price and quantity
- b) Decrease price and quantity
- c) Increase price and decrease quantity
- d) Decrease price and increase quantity

If the supply of residential land is fixed and insensitive to price, then a recession would probably

- a) Increase price and quantity
- b) Decrease price and quantity
- c) Increase price and decrease quantity
- d) Decrease price and increase quantity
- e) Increase price and not change quantity
- f) Decrease price and not change quantity

If the demand for French cheese is very sensitive to price, then an increase in taxes on production would

- a) Decrease price by a lot and decrease quantity a little.
- b) Decrease price by a little and decrease quantity by a lot.
- c) Increase price by a lot and decrease quantity by a little.
- d) Increase price by a little and decrease quantity by a lot.