

ANSWERS to EXAMPLE QUESTIONS⁴⁻¹⁵⁻²¹

S&D QUESTIONS

1. d
2. a
3. d
4. d (The price of X is a determinant but not a shifter.)
5. d (The price of X is a determinant but not a shifter.)
6. b (The price of X is a determinant but not a shifter.)
7. a
8. b (The increase in the input price raises costs and lowers profits.)
9. c

CS&PS QUESTIONS

10. d
11. e
12. b

MAXM PRICES QUESTIONS

1. b
2. b
3. a
4. b
5. d
6. c

MINM PRICES QUESTIONS

1. c
2. b
3. d (You are looking for the drop in employment relative to the equilibrium, not the level of unemployment.)
4. c
5. d. 6. a