

Chapter 4 Test, Form A

Demand

DIRECTIONS: Matching Match each item with the correct description.

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| _____ 1. combination of desire, ability, and willingness to buy a product | A. change in demand |
| _____ 2. graph showing the quantity demanded at each and every possible price that might prevail in the market at a given time | B. change in quantity demanded |
| _____ 3. rule stating that more will be demanded at lower prices and less at higher prices | C. complements |
| _____ 4. satisfaction or usefulness obtained from acquiring one more unit of a product | D. demand |
| _____ 5. movement along the demand curve showing that a different quantity is purchased in response to a change in price | E. demand curve |
| _____ 6. the portion of a change in quantity demanded caused by a change in price that makes other products more or less costly | F. demand elasticity |
| _____ 7. consumer demand for different amounts at every price, causing the demand curve to shift to the left or the right | G. inelastic |
| _____ 8. products related in such a way that an increase in the price of one reduces the demand for the other | H. Law of Demand |
| _____ 9. the extent to which a change in price causes a change in the quantity demanded | I. marginal utility |
| _____ 10. type of elasticity in which the percentage change in the independent variable (usually price) causes a less than proportionate change in the dependent variable (usually quantity demanded or supplied) | J. substitution effect |

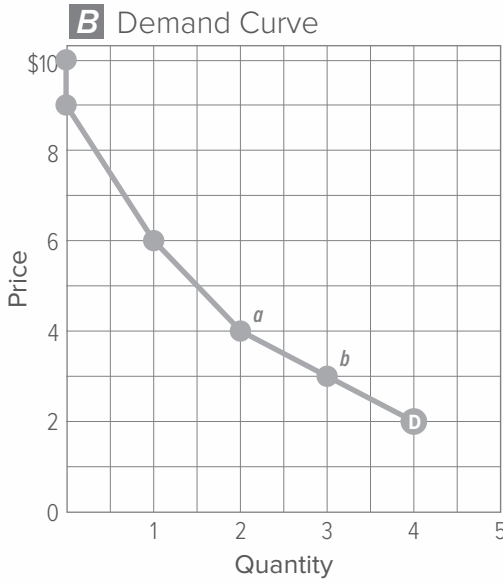
DIRECTIONS: Multiple Choice Indicate the answer choice that best completes the statement or answers the question.

- _____ 11. What are the characteristics of demand?
- the desire and ability to buy a product
 - the ability and willingness to buy a product
 - the willingness and desire to buy a product
 - the desire, ability, and willingness to buy a product

Chapter 4 Test, Form A *cont.*

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DIRECTIONS: Essay Write a short essay for each of the following questions.



21. How does the graph illustrate the Law of Demand?
