1. A decrease in quantity demanded is given by a(n):
   a. downward shift of the demand curve.
   b. upward shift of the demand curve.
   c. downward movement to the right along the demand curve.
   d. upward movement to the left along the demand curve.

2. At a price of $5, Sam buys 10 units of a product; when the price increases to $6, Sam buys 8 units. Martha says Sam’s demand has decreased. Is Martha correct?
   a. Yes, Martha is correct. Sam’s demand has decreased.
   b. No, Martha is incorrect. Sam’s demand has increased.
   c. No, Martha is incorrect. Sam’s quantity demanded has decreased, and his demand has not changed.
   d. No, Martha is incorrect. Sam’s quantity demanded has increased, and his demand has increased.

3. Which of the following would shift the demand curve for 35 mm film to the right?
   a. A fall in the price of 35 mm film.
   b. A fall in the price of 35 mm cameras.
   c. A fall in consumers’ incomes.
   d. A fall in the popularity of photography.

4. When firms advertise their products, they are attempting to:
   a. shift the supply curve of the product to the right.
   b. shift the supply curve of the product to the left.
   c. shift the demand for the product to the right.
   d. shift the demand for the product to the left.

5. Suppose that X and Y are substitute goods. If the price of good X increases, we can expect:
   a. an upward movement along the demand curve for good Y.
   b. the demand curve for good Y to shift to the right.
   c. a downward movement along the demand curve for good Y.
   d. the demand curve for good Y to shift to the left.

6. Other things being equal, the effect of a decrease in the price of compact discs on the market for compact disc players is a (an):
   a. leftward shift in the demand curve for compact disc players.
   b. upward movement along the demand curve for compact disc players.
   c. rightward shift in the demand curve for compact disc players.
   d. downward movement along the demand curve for compact disc players.
7. To finance medical care, the federal government raises the tax per pack paid by sellers of cigarettes. Other things being equal, the price of cigarettes rises because of a (an):
   a. upward movement along the supply curve for cigarettes.
   b. rightward shift of the supply curve for cigarettes.
   c. upward movement along the demand curve for cigarettes.
   d. **leftward shift of the supply curve for cigarettes.**

![Graph of supply and demand](image)

8. In the Exhibit above, assume that the market price of compact discs is $15 each. This price is:
   a. an equilibrium price.
   b. not an equilibrium price because there is an excess quantity demanded at a price of $15.
   c. an equilibrium price because suppliers can store inventories in their warehouses.
   d. **not an equilibrium price because the quantity supplied of compact discs is greater than the quantity demanded.**

9. In the Exhibit, assume that the price of compact discs is $5 each. This price is:
   a. an equilibrium price.
   b. not an equilibrium price because there is an excess quantity supplied at a price of $5.
   c. **not an equilibrium price because there is an excess quantity demanded at a price of $5.**
   d. not an equilibrium price because the quantity supplied of compact discs is greater than the quantity demanded.

10. In the Exhibit, if the market price of compact discs is initially $15, a movement toward equilibrium would require:
    a. no change, because an equilibrium already exists.
    b. the price to fall below $15 and both the quantity supplied and the quantity demanded to fall.
    c. the price to remain the same, but the supply curve to shift to the left.
    d. **the price to fall below $15, the quantity supplied to fall, and the quantity demanded to rise.**