D. Negative, positive

17. The primary factors that influence the price elasticity of demand for a product are:

A. **the availability of substitute goods, the time that has elapsed since the price of the good changed, and the proportions of consumers' budgets spent on the product.**

B. changes in consumers' incomes, the time since the price change occurred, and the availability of substitute goods

C. the proportions of consumers' budgets spent on the product, the size of the shift in the demand curve for a product, and changes in consumers' price expectations.

D. The level of necessity of the good and the amount of income

18. If the price elasticity of supply is 2 and the price of the product decreases by 5%, the quantity supplied will:

A. increase 10%.

B. decrease 2%.

C. increase 5%.

D. **Decrease 10%**

19 If the price of World Cup football tickets increases from £40 a ticket to £50 a ticket and the quantity demanded of tickets stays the same, demand for the tickets is:

A elastic, but not perfectly elastic.

B. Inelastic, but not perfectly inelastic.

C. Perfectly elastic

D. None of the above

20. The central problem in economics is that of

A. guaranteeing a minimum level of income for every citizen.

B. allocating scarce resources in such a manner that society's unlimited needs or wants are satisfied as well as possible.

C. comparing the success of command versus market economies.

D. guaranteeing that production occurs in the most efficient manner.

21 Microeconomics best describes the study of the

D. B and C

47. When demand is elastic a ___________ in price will lead to a ______________ in total revenue.

A. **Decrease, increase**

B. Decrease, decrease

C. Increase, increase

D. Increase, no change

48. If a 10% increase in the price leads to a 25% decrease in quantity demanded, then the elasticity of demand is

-1

B. 0

C. -**2.5**

D. -0.25

49. At the mid point of a linear demand line, the elasticity of demand is ___________.

. 0

B. -0.5

C**.- 1**

D. -1.5

50. If demand is perfectly inelastic at all prices, a 10% change in price will change demand by ___ %.

10

B. 5

C. 20

D. 0