

**Quiz No. 2: Consumer Demand (week 3) & Demographic Transition (week 4)**

Name: \_\_\_\_\_

All questions are in true/false form. Please write the most accurate answer (T or F) on each line.

**CONSUMER DEMAND**

*For any given product, the quantity consumed per person can be expressed as a function of many other things. For example, if you need to predict consumption of pork you would use:  $Q_{pork} = f(\dots)$ .*

*What should be included in a demand function of this type?*

- The demand function for pork should include the price of pork \_\_\_\_\_
- The demand function for pork should include the price of substitutes such as chicken \_\_\_\_\_
- The demand function for pork should include influences on tastes such as religion \_\_\_\_\_
- The demand function for pork should include the cost of feeding pigs \_\_\_\_\_
- The demand function for pork should include the cost of preparation and cooking \_\_\_\_\_
- The demand function for pork should include consumers' income \_\_\_\_\_

*When drawing demand functions in two dimensions on paper, slides or the chalkboard, we need to consider just two variables. How do economists usually draw these two-dimensional curves?*

- All other variables are held constant at a given level when drawing each curve \_\_\_\_\_
- Changes in one of those other variables is shown by a shift in the position of each curve \_\_\_\_\_
- Changes in one of the two variables of interest is shown by movement along the curve \_\_\_\_\_
- The relationship between quantity and price is shown with price on the vertical (Y) axis \_\_\_\_\_
- The relationship between quantity and income is shown with income on the vertical (Y) axis \_\_\_\_\_
- The slope of each curve is defined as rise over run ( $\Delta Y / \Delta X$ ) \_\_\_\_\_

*When comparing demand functions across products and countries, we need to use numbers instead of pictures. How do economists usually measure demand functions?*

- Economists compare curves using their slopes to make the units cancel \_\_\_\_\_
- Economists compare curves using elasticities to make the units cancel \_\_\_\_\_
- Price elasticities of demand are defined with price change in the numerator ( $\% \Delta P / \% \Delta Q$ ) \_\_\_\_\_
- Income elasticities of demand are defined with income change in the numerator ( $\% \Delta I / \% \Delta Q$ ) \_\_\_\_\_
- Income elasticities of demand are always positive (greater than zero) \_\_\_\_\_
- A product whose estimated elasticity of demand is close to zero has “inelastic” demand \_\_\_\_\_

**DEMOGRAPHIC TRANSITION**

- Over the full span of recorded history, population growth rates have risen and then fallen \_\_\_\_\_
- The highest population growth rates ever seen occurred historically in today's rich countries \_\_\_\_\_
- The highest birth rates ever seen occurred historically in today's rich countries \_\_\_\_\_
- The highest death rates ever seen occurred historically in today's rich countries \_\_\_\_\_
- The rise in population growth rates that occurred historically was due to a rise in the birth rate \_\_\_\_\_
- The fall in death rates that occurred historically in rich countries was due to modern medicine \_\_\_\_\_
- The fall in birth rates that occurred historically in rich countries was due to modern contraception \_\_\_\_\_