Unit 2.4 Price Elasticity of Supply

AP Microeconomics Homework — 9 Questions

Part I — Question Bank MCQ

1. 题库 Unit 2 S&D Q7

If the price elasticity of supply for pickles is 2 and the price of pickles increases by 10 percent, then the quantity supplied of pickles will increase by

(A) 0.2%
(B) 5%
(C) 8%
(D) 12%
(E) 20%

2. 题库 Unit 2 S&D Q54

Assume that the supply of corn is relatively price inelastic, while the demand for corn is relatively price elastic. If the government imposes a per-unit excise tax on the production of corn, the incidence of the tax will fall

(A) entirely on buyers
(B) more on buyers than on sellers
(C) entirely on sellers
(D) more on sellers than on buyers
(E) equally on both buyers and sellers

3. 题库 Unit 2 S&D Q57

Assume that the price elasticity of supply for good Y is 0.5. If the price of good Y decreases by 30 percent, the quantity supplied of good Y will

(A) decrease by 60 percent
(B) decrease by 30 percent
(C) decrease by 15 percent
(D) increase by 0.5 percent
(E) increase by 0.15 percent

4. 题库 Unit 2 S&D Q58

Assume a 10 percent increase in price increased the market quantity supplied by 20 percent. Which of the following is true?

(A) The value of the price elasticity of supply is 2.
(B) The value of the price elasticity of supply is 0.5.
(C) Supply is price inelastic.
(D) Demand is price elastic.
(E) This price-quantity combination violates the law of supply.

5. 题库 Unit 2 S&D Q60

If the value of the price elasticity of supply is 3, which of the following is true?

(A) Supply is inelastic.
(B) A percentage increase in price will lead to a relatively smaller percentage increase in quantity supplied.
(C) The supply curve is downward sloping with respect to the price of output.
(D) A 10 percent decrease in price will decrease the quantity supplied by 30 percent.
(E) A 3 percent increase in price will decrease the quantity supplied by 10 percent.

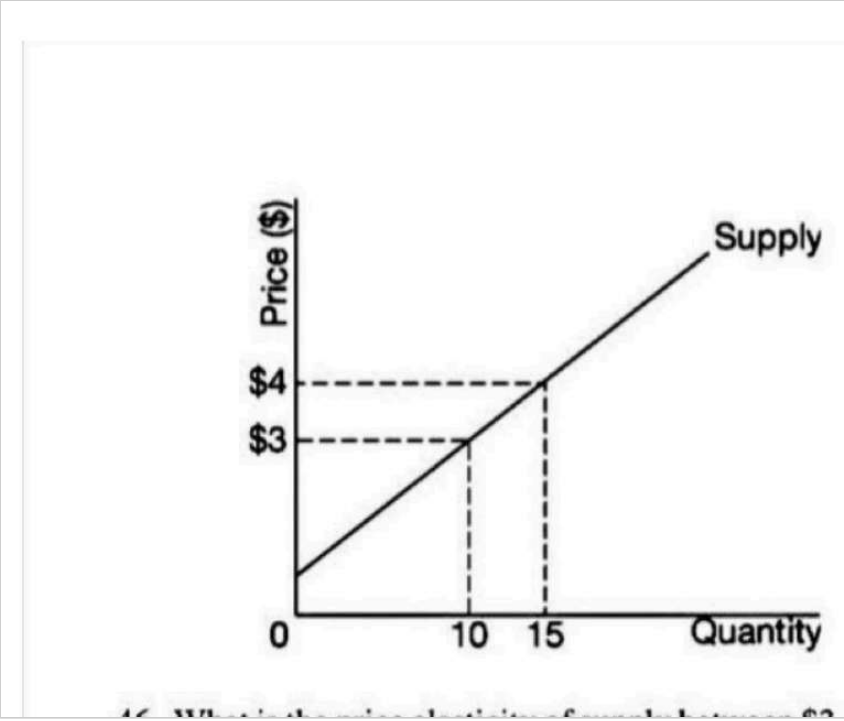
6. 题库 Unit 2 S&D Q154

The quantity of peanuts supplied increased from 40 tons per week to 60 tons per week when the price of peanuts increased from $4 per ton to $5 per ton. The price elasticity of supply for peanuts over this price range is

(A) elastic
(B) inelastic
(C) unit elastic
(D) perfectly elastic
(E) perfectly inelastic

Part II — Past Exam MCQ

7. 2021 AP Micro MCQ Q46



What is the price elasticity of supply between $3 and $4 in the graph above?

(A) It is greater than 1, and the supply is relatively inelastic.
(B) It is greater than 1, and the supply is relatively elastic.
(C) It is equal to 1, and the supply is unit elastic.
(D) It is less than 1, and the supply is relatively elastic.
(E) It is less than 1, and the supply is relatively inelastic.

8. 2023 AP Micro MCQ Q51

If the value of the price elasticity of supply for a product is 0.5, which of the following statements is correct?

(A) A 10 percent increase in the price of the product will decrease the quantity supplied by 5 percent.
(B) A 10 percent increase in the price of the product will decrease the quantity supplied by 20 percent.
(C) A 10 percent increase in the price of the product will increase the quantity supplied by 20 percent.
(D) A 20 percent decrease in the price of the product will decrease the quantity supplied by 10 percent.
(E) A 20 percent decrease in the price of the product will decrease the quantity supplied by 40 percent.

Part III — Past Exam FRQ

9. 2022 AP Micro FRQ Q3(a)

In the local market for Good X, there are four individual buyers: Emily, Wu, Omar, and Fernanda. The quantities that each individual buyer would be willing and able to purchase at different prices are included in the table provided.

Price	Emily	Wu	Omar	Fernanda
$1	5	4	4	3
$2	4	3	4	3
$3	4	3	3	2
$4	3	2	3	2
$5	3	2	2	1
$6	2	1	2	1
$7	2	1	1	0
$8	1	0	1	0

(a) The local market for Good X has a perfectly elastic supply. Draw a correctly labeled graph for the local market for Good X with a market equilibrium price of $5. Label the equilibrium price as $5, and label the equilibrium quantity for the market with a specific value based on the data provided in the table.