Economics Unit 2 Test Outline

Be able to explain the forces and factors that influence people’s choices and decisions

Be able to explain the decision making process and priorities based on preferences, from a consumer’s perspective

Be able to explain how a price system is largely used to distribute what is produced

Be able to explain how a price system can lead to some consumers being able to acquire more goods and services than others

Be able to explain how the consumer’s willingness to acquire goods or services is the key factor in determining what is produced in the Canadian economy

The information in the power points: 1 Changes in Demand and Supply and 2 Demand Supply, elasticity, marginal utility. Know this information well enough to be able to use this information to answer questions based on this knowledge.

Be able to draw demand and supply graphs and show shortages or surpluses, label equilibrium points, shifts in demand and/or supply.

Be able to explain how advertisements can affect the purchasing decision and demand for a product and how a business would react.

Floor and ceiling prices and what effects these can have on the economy and the demand and supply lines.

Why do price ceilings cause shortages? What is a black market and why might it alleviate shortages?

Why would price ceilings prevent the laws of supply and demand from operating?

Information from the booklet

Know how to draw marginal utility curves, complete tables and answer questions based on that.