Economics 11  Caltech Spring 2010  Quiz 1

Following the Honor code, you should find 20 minutes and do the quiz, by yourself and without using any notes. Paper and pen should be all you need. Turn it in by Thursday 4-7 5pm. (drop off in box in front of Baxter 133). It will include one question from each section. Each quiz is worth 6pts (for 48 out of 200 possible pts for all 8 quizzes).

The answers to the whole homework will be available Friday at 2pm.

Definitions
3 lines or less
1pt Please explain  Opportunity cost

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Word problem
2pts Explain why gas is inelastic on the short term and elastic on the long term

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1 of 2
Technical problem
3 pts
Suppose the supply curve for burgers is \( p(q) = 0.5q^2 \) and the demand curve for burgers is \( p(q) = 80 - q \). What is the equilibrium price and quantity of burgers? Compute the demand elasticity at \( q = 10 \).