

Chapter 4

1. What is Market? What is Competitive Market? What is perfectly Competitive Market and what are the features of non-perfectly competitive market?
2. What is Law of Demand? What is Demand Schedule? What is Demand Curve? How to get the Market Demand from Individual Demand?
3. What are the main determinants of demand? And how they are going to affect the demand?
4. What is normal good? What is inferior good? What are substitutes? What are complements?
5. What is Quantity Demanded? What is the difference between a change in Quantity Demanded and a change in Demand?
6. What is Law of Supply? What is Supply Schedule? What is Supply Curve? How to get the Market Supply from Individual Supply?
7. What are the main determinants of supply? And how they are going to affect the supply?
8. What is Quantity Supplied? What is the difference between a change in Quantity Supplied and a change in Supply?
9. How supply and demand together determine the equilibrium? What is equilibrium? What is equilibrium price and what is equilibrium quantity?
10. What is surplus and what is shortage?
11. What are the three steps to analyze the effects of an even on the market equilibrium?
12. Fully understand Table 4 on p.g. 83.

Chapter 5

1. What is Elasticity?
2. What is Price Elasticity of Demand? How to compute it using the Midpoint method?
3. What are the main determinants of Price Elasticity of Demand and how they affect the Price Elasticity of Demand?
4. How do we classify the demand curves according to their elasticities?
5. What is Total Revenue and what is the relationship between total revenue and the price elasticity of demand?
6. What is income elasticity of demand and how to compute it using the Midpoint method?
7. What is Price Elasticity of Supply? How to compute it using the Midpoint method?
8. What are the main determinants of Price Elasticity of Supply and how they affect the Price Elasticity of Supply?
9. How do we classify the supply curves according to their elasticities?

Chapter 6

1. What is price ceiling? What is price floor?
2. How to tell whether a price ceiling or a price floor is binding or not?

3. What are the effects of price ceiling on the market if it is not binding and if it is binding?
4. What are the effects of price floor on the market if it is not binding and if it is binding?
5. How to evaluate a price control policy?
6. What are the effects of rent control in the short run and in the long run?
7. What are the effects of the minimum wage law?
8. What is tax incidence?
9. How taxes on buyers affect the market? (step by step)
10. How taxes on sellers affect the market? (step by step)
11. What determines who bears more burden of the tax?
12. Given a tax, how to tell what is the amount paid by the buyer and what is the amount paid by the seller?