Quiz #1. Name: 
ECON 310 – Ticket Number 16386.

Multiple Choice (3 points each):

1) Consider a market in which demand is given by the function $D(p) = 100 - 2p$. In this market, demand is
   a. elastic at all possible prices.
   b. inelastic at all possible prices.
   c. elastic at all prices above $p = 25$.
   d. inelastic at all prices above $p = 25$.
   e. None of the above answers are correct.

2) The Income Elasticity of Demand for “product X” is estimated to be $\varepsilon_{x,i} = .27$. Based upon this value, we can infer that
   a. “product Y” is a complement to “product X.”
   b. “product Y” is a substitute for “product X.”
   c. “product X” is a normal good.
   d. “product X” is an inferior good.
   e. More than one of the above answers is correct.

Additional Question:

1) Consider a market in which demand is given by the inverse function $D(p) = 80 - q$ and supply is given by the inverse function $S(q) = 3q$. Determine $p^*$ (the equilibrium price) and $q^*$ (the equilibrium quantity) in this market. (4 points)