

Chapter 6 Mastery Test A, continued

Part C Match the words in Column 1 with their meanings in Column 2.
Write the letter on the line.

Column 1

- _____ **12.** shortage
_____ **13.** price ceiling
_____ **14.** price floor
_____ **15.** surplus
_____ **16.** minimum wage

Column 2

- a.** sellers supply more goods than buyers are willing to purchase
b. more goods are needed than the producer is willing to sell
c. a maximum price set by the government
d. a minimum price set by the government
e. an example of a minimum price

Part D Write the answers to these questions. Use complete sentences.

17. What is relative worth?

18. What are two forms of market failure?

19. When price is a rationing device, what is the effect on poor people?

20. How does price provide workers with incentives?

21. What is an example of a negative externality?

22. What pays for public goods?

23. Prices treat everyone the same way. How does this work as a rationing device?

24. How are black markets used?

25. How are the equilibrium price and the equilibrium point related?
