

Microeconomics

04 Labor & Financial Markets

Microeconomics Ch 04

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4. Chapter: Microeconomics 04 Labor & Financial Markets

1. Microeconomics 04 Labor & Financial Markets Questions

4.1.1. In the labor market, what causes a movement along the demand curve?...

Author: OpenStax College

In the labor market, what causes a movement along the demand curve? What causes a shift in the demand curve?

- Changes in the wage rate (the price of labor) cause a movement along the demand curve. A change in anything else that affects demand for labor (e.g., changes in output, changes in the production process that use more or less labor, government regulation) causes a shift in the demand curve.

Check the answer of this question online at QuizOver.com:

Question: [In the labor market what causes a movement OpenStax College Microeconomics](#)

4.1.2. In the labor market, what causes a movement along the supply curve?...

Author: OpenStax College

In the labor market, what causes a movement along the supply curve? What causes a shift in the supply curve?

- Changes in the wage rate (the price of labor) cause a movement along the supply curve. A change in anything else that affects supply of labor (e.g., changes in how desirable the job is perceived to be, government policy to promote training in the field) causes a shift in the supply curve.

Check the answer of this question online at QuizOver.com:

Question: [In the labor market what causes a movement OpenStax College Microeconomics](#)

4.1.3. Why is a living wage considered a price floor? Does imposing a livi...

Author: OpenStax College

Why is a living wage considered a price floor? Does imposing a living wage have the same outcome as a minimum wage?

- Since a living wage is a suggested minimum wage, it acts like a price floor (assuming, of course, that it is followed). If the living wage is binding, it will cause an excess supply of labor at that wage rate.

Check the answer of this question online at QuizOver.com:

Question: [Why is a living wage considered a price OpenStax College Microeconomics](#)

4.1.4. In the financial market, what causes a movement along the demand cu...

Author: OpenStax College

In the financial market, what causes a movement along the demand curve? What causes a shift in the demand curve?

- Changes in the interest rate (i.e., the price of financial capital) cause a movement along the demand curve. A change in anything else (non-price variable) that affects demand for financial capital (e.g., changes in confidence about the future, changes in needs for borrowing) would shift the demand curve.

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Question: [In the financial market what causes a OpenStax College Microeconomics](#)

4.1.5. In the financial market, what causes a movement along the supply cu...

Author: OpenStax College

In the financial market, what causes a movement along the supply curve? What causes a shift in the supply curve?

- Changes in the interest rate (i.e., the price of financial capital) cause a movement along the supply curve. A change in anything else that affects the supply of financial capital (a non-price variable) such as income or future needs would shift the supply curve.

Check the answer of this question online at QuizOver.com:

Question: [In the financial market what causes a OpenStax College Microeconomics](#)

4.1.6. If a usury law limits interest rates to no more than 35%, what would...

Author: OpenStax College

If a usury law limits interest rates to no more than 35%, what would the likely impact be on the amount of loans made and interest rates paid?

- If market interest rates stay in their normal range, an interest rate limit of 35% would not be binding. If the equilibrium interest rate rose above 35%, the interest rate would be capped at that rate, and the quantity of loans would be lower than the equilibrium quantity, causing a shortage of loans.

Check the answer of this question online at QuizOver.com:

Question: [If a usury law limits interest rates to OpenStax College Microeconomics](#)

4.1.7. Which of the following changes in the financial market will lead to...

Author: OpenStax College

Which of the following changes in the financial market will lead to a decline in interest rates:

Please choose all the answers that apply:

- a rise in demand
- a fall in demand
- a rise in supply
- a fall in supply

Check the answer of this question online at QuizOver.com:

Question: [Which of the following changes in the OpenStax College Microeconomics](#)

4.1.8. Which of the following changes in the financial market will lead to...

Author: OpenStax College

Which of the following changes in the financial market will lead to an increase in the quantity of loans made and received:

Please choose all the answers that apply:

- a rise in demand
- a fall in demand
- a rise in supply
- a fall in supply

Check the answer of this question online at QuizOver.com:

Question: [Which of the following changes in the OpenStax College Microeconomics](#)

4.1.9. Identify the most accurate statement. A price floor will have the I...

Author: OpenStax College

Identify the most accurate statement. A price floor will have the largest effect if it is set:

Please choose only one answer:

- substantially above the equilibrium price
- slightly above the equilibrium price
- slightly below the equilibrium price
- substantially below the equilibrium price

Check the answer of this question online at QuizOver.com:

Question: [Identify the most accurate statement. A OpenStax College Microeconomics](#)

4.1.10. A price ceiling will have the largest effect:

Author: OpenStax College

A price ceiling will have the largest effect:

Please choose only one answer:

- substantially below the equilibrium price
- slightly below the equilibrium price
- substantially above the equilibrium price
- slightly above the equilibrium price

Check the answer of this question online at QuizOver.com:

Question: [A price ceiling will have the largest OpenStax College Microeconomics](#)

4.1.11. Select the correct answer. A price floor will usually shift:

Illust...

Author: [OpenStax College](#)

Select the correct answer. A price floor will usually shift:

Illustrate your answer with a diagram.

Please choose only one answer:

- demand
- supply
- both
- neither

Check the answer of this question online at [QuizOver.com](#):

Question: [Select the correct answer. A price floor OpenStax College Microeconomics](#)

4.1.12. Select the correct answer. A price ceiling will usually shift:

Author: OpenStax College

Select the correct answer. A price ceiling will usually shift:

Please choose only one answer:

- demand
- supply
- both
- neither

Check the answer of this question online at QuizOver.com:

Question: [Select the correct answer. A price ceiling OpenStax College Microeconomics](#)