

Ch 6 Study Guide: Markets, Equilibrium and Prices

A. Key Concepts:

- 1) Market Equilibrium-
- 2) Equilibrium Price-
- 3) Market clearing price-
- 4) Equilibrium Quantity-
- 5) Market price-
- 6) Disequilibrium-
- 7) excess demand (shortage)-
- 8) excess supply (surplus)-
- 9) price controls-
- 10) price floor-
- 11) minimum wage-
- 12) price ceiling-
- 13) rationing-
- 14) black market-

B. How do shifts in supply or demand affect market equilibrium price/quantity?

Create graphs to show changes. Label original and new equilibrium price and quantity, etc.

- 1) Increase Shift in demand

- 2) Decrease shift in demand

- 3) Increase shift in supply

- 4) Decrease shift in supply

C. What Role Do Prices Play in a Modern Mixed economy?