**Unit 2 Quick Check**

**1. Rent control is an example of a**

a. price floor.

b. price ceiling.

c. subsidy.

d. rationing mechanism.

**2. Minimum wage is an example of a**

a. price floor

b. price ceiling

c. subsidy

d. rationing mechanism

**3. When a price ceiling is established, the government is faced with the problem of deciding**

a. how to ration goods among consumers.

b. how to deal with excess demand.

c. how to deal with excess supply.

d. a and b**.**

**4. When a price floor is established, the government is faced with the problem of deciding**

a. how to ration goods among consumers.

b. how to deal with excess demand.

c. how to deal with excess supply.

d. a and b

**5. If a price floor is established,**

a. the imposed price is above the equilibrium price.

b. the imposed price is below the equilibrium price.

c. there will be excess demand at the imposed price.

d. the law of increasing costs will be violated.

**6. If rent control is established,**

a. the supply of housing may decrease.

b. housing may not be well maintained.

c. fewer new housing units may be constructed.

d. all of the above.

**Use the graph to answer the following questions**

Line A

Line B

Line C

**7. What Line represent the equilibrium price?**

a. Line A

b. Line B

c. Line C

**8. What line represents a price floor?**

a. Line A

b. Line B

c. Line c

**9. What line represents a price ceiling?**

a. Line A

b. Line B

c. Line c

**10. Line \_\_\_\_\_\_\_\_ represents a surplus and line \_\_\_\_\_\_\_\_\_ represents a shortage**