

# How does a competitive market work? - Séance 4

**1: At the petrol station in the video, how would you describe the price on a busy day?**

- A:** Relatively low
- B:** Relatively high
- C:** The same as a quiet day
- D:** Random

**2: ... and on a cold quiet night?**

- A:** Relatively low
- B:** Relatively high
- C:** The same as a busy day
- D:** Random

**3: What law does the petrol station apply?**

- A:** Give and take
- B:** Surplus and deficit
- C:** Cost and production
- D:** Supply and demand

**4: What factor does the petrol station NOT take into account?**

- A:** Colour of the vehicle
- B:** Attendance
- C:** Fuel volume purchased
- D:** Day of the week

**5: On a graph, what is the Y data also called?**

- A:** Ordinate
- B:** Demonstrative
- C:** Abscissa
- D:** Vector

**6: On a graph, what is the X data also called?**

- A:** Ordinate
- B:** Demonstrative
- C:** Abscissa
- D:** Vector

**7: What happens when supply = demand?**

- A:** A surplus of units
- B:** An equilibrium price is found
- C:** A shortage of units

**8: What happens when supply < demand?**

- A:** A surplus of units
- B:** An equilibrium price is found
- C:** A shortage of units

**9: What happens when supply > demand?**

- A:** A surplus of units
- B:** An equilibrium price is found
- C:** A shortage of units

**10: What is a price ceiling?**

- A:** A minimum price
- B:** A maximum price
- C:** A modified equilibrium price
- D:** A reduction of price laws

**11: What is a price floor?**

- A:** A minimum price
- B:** A maximum price
- C:** A modified equilibrium price
- D:** A reduction of price laws

**12: What happens when the price floor is above the equilibrium price?**

- A:** A shortage of supply
- B:** A surplus of supply
- C:** No change

**13: What happens when the price floor is below the equilibrium price?**

- A:** A shortage of supply
- B:** A surplus of supply
- C:** No change

**14: What happens when the price ceiling is above the equilibrium price?**

- A:** A shortage of supply
- B:** A surplus of supply
- C:** No change

**15: What happens when the price floor is below the equilibrium price?**

- A:** A shortage of supply
- B:** A surplus of supply
- C:** No change