Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period: \_\_\_ Date: \_\_\_\_\_\_\_\_\_\_

Chapter 5

Market-Clearing Price

1. What is marketing-clearing price or equilibrium price?
2. What is a shortage? When will it occur?
3. What is a surplus? When will it occur?
4. What is a price ceiling?
5. What is a price floor?
6. How do marketing clearing prices ration goods?
7. How do prices provide incentives to produce goods/services?
8. What kind of information do we get from market-clearing prices?