

Name _____

Date _____

Class _____

Teacher _____

Quiz: Price Gouging

Directions: Select the answer that best completes the sentence.

- 1) Price gouging is _____.
 - A) a pricing strategy where a product is sold at a price below its market cost to stimulate other sales of more profitable goods or services.
 - B) considered to be raising prices too much on a good or service
 - C) the sale of a specific good at retail stores without the option to use coupons
 - D) the price at which the quantity of goods supplied is equal to the quantity of goods demanded

- 2) Buying far more of an item than one needs, in preparation for a natural disaster, is considered to be
 - A) economical
 - B) illogical
 - C) hoarding
 - D) frugal

- 3) If, as a result of a natural disaster, suppliers raise the price of goods, that does all of the following *except* _____.
 - A) reduces the quantity of items available for other customers
 - B) leads people to say the suppliers are price-gouging
 - C) increases the quantity of items available for other customers
 - D) incentivizes sellers to bring in more products that are needed

- 4) During the last energy crisis, the federal government's solution to rising oil prices was to _____, which led to gas shortages and long lines at gas stations.
 - A) gouge oil prices
 - B) cap oil prices
 - C) require drivers keep their gas tanks at least half full
 - D) require fuel companies to reduce gas prices

- 5) The main point of this video is that price gouging _____.
 - A) reduces the incentive for retailers to bring in more of the products they need
 - B) allows greedy, selfish store owners to take advantage of desperate people
 - C) interferes with the law of supply and demand
 - D) helps get supplies to those who need them most

Price Gouging – Answer Key:

1. B
2. C
3. A
4. B
5. D