

"Economics U.S.A.: Supply & Demand: What Sets the Price"

1. Why was Marin, California hit so hard by the drought?
2. What rationing system was used in Marin County, California?
3. Explain the law of diminishing marginal utility.
4. What law of economics which we've studied is related to the law of diminishing marginal utility?
5. Why was it that between 1955 and 1971 the total number of oil rigs operating in the U.S. decreased despite the fact that the price of crude oil went up? [Does this violate the law of supply?]
6. What happened to oil production in the United States when the price of newly found oil was decontrolled and allowed to rise to the world price of oil?
7. What caused the reduction of supply of crude oil in 1979?
8. What happened when President Carter decontrolled all of oil prices in 1979?
9. What caused the price of oil to plummet by 1985?
10. Didn't the higher sales of more expensive jeans violate the law of demand? Why not?
11. Why don't the prices of most products remain constant over time?
12. Why did the supply of many products decrease during the oil crunch of the 1970s?