1. **Short Answer Questions**

1. True or False: During the winter of 1997-1998, the northeastern United States experienced warmer than usual conditions. The price of home heating oil was less than it was during the previous winter, but people bought less home heating oil. This contradicts the Law of Demand.

2. Explain how we can account for 'bads' (such as pollution) in analysis of consumer preferences.

3. Restricting imports tends to:
   - A) Shift the demand curve for the product to the left.
   - B) Shift the demand curve for the product to the right.
   - C) Shifts the supply curve left.
   - D) Increase the quantity supplied of a product.

2. **Supply and Demand- Short-Answer Style Question**

If the US government were to ban imports of Canadian beef for reasons unrelated to health concerns, what would be the effect on the price of beef in the United States? How would the typical American’s diet change? What about the typical Canadian’s? What if the ban suggested to consumers that there might be health risks associated with beef? (Illustrate using well labeled graphs and a discussion)

3. **Supply and Demand Question - Long Answer Style**

Suppose we are looking at the demand and supply for housing. The supply curve for housing, i.e. the number of houses and apartments that builders will produce given a price for housing $p$ is $S(p) = 20 + 40p$. The demand curve for housing, i.e. the number of housing units that are demanded by individuals, is given by $D(p) = 200 - 20p$. 
1. Draw the supply and the demand curve, on a well labeled graph.

2. What is the slope of the demand curve, and what is the slope of the supply curve? Why do the demand and supply curves have different slopes, and can you think of cases where the slopes would be different, i.e. where demand curves would be upward sloping, or where supply curves will be downward sloping?

3. Suppose we restrict the entry of undocumented immigrants into the country (also known as illegal immigrants) which are a large part of the building trade. What would happen to the supply curve? Draw it on a graph and explain in a sentence or two.

4. Suppose the supply curve is now \( S(p) = 40p - 40 \). What is the new market clearing price and quantity?

4. **Preferences and Indifference Curves**

Suppose that there two types of food, meat and bread. Draw indifference curves for the following consumers.

1. Ed likes variety and prefers to eat meat and bread together.

2. Frances dislikes variety; she likes to eat the same thing all the time.

3. Mia is a vegetarian who doesn't care (one way or the other) about meat.

4. Taka, a sumo wrestler, cares only about the number of calories he consumes; he wants to consume as many calories as possible. Suppose that Beef has 100 calories per unit and Bread has 200 calories per unit (since protein has fewer calories per gram than carbohydrates). What do Taka’s indifference curves look like?