

Name \_\_\_\_\_

## The Crystal Ball Effect: How Future Price Expectations Shape Supply and Demand

### Multiple Choice Questions

1. What are expectations about future prices in economics?
  - a) Crystal ball predictions.
  - b) Anticipations of what will happen to the prices of goods and services in the future.
  - c) Historical price records.
  - d) Random guesses.
  
2. How can future price expectations influence supply?
  - a) They have no impact on supply.
  - b) Producers may reduce supply if they expect prices to rise.
  - c) Producers always increase supply based on expectations.
  - d) They only affect small businesses.
  
3. If consumers believe that prices will drop soon, what is the likely impact on demand?
  - a) Demand will increase.
  - b) Demand will decrease.
  - c) Demand will remain the same.
  - d) Demand will become unpredictable.
  
4. How can expectations about future prices influence consumer behavior in the housing market?
  - a) They have no influence on consumer behavior.
  - b) Consumers may rush to buy houses if they anticipate price increases.
  - c) Consumers will never buy houses based on expectations.
  - d) Consumers will only buy houses if prices are at their lowest.
  
5. What is a common behavior observed during Black Friday sales, influenced by expectations about future prices?
  - a) Consumers buy products at any time of the year.
  - b) Consumers postpone purchases until Black Friday for lower prices.
  - c) Consumers buy products at higher prices during Black Friday.
  - d) Black Friday has no impact on consumer behavior.

