

1. A new tariff has been placed on steel, which is a primary input in the midstream piping and transportation network of oil and natural gas. How will this new tariff affect the equilibrium price and quantity of oil and natural gas?
  - a. Price will increase, and quantity will increase
  - b. Price will increase, and quantity will decrease
  - c. Price will decrease, and quantity will increase
  - d. Price will decrease, and quantity will decrease
2. California passed a new "carbon-free" mandate for their electrical system. How will this new mandate impact the equilibrium price and quantity of solar energy?
  - a. Price will increase, and quantity will increase
  - b. Price will increase, and quantity will decrease
  - c. Price will decrease, and quantity will increase
  - d. Price will decrease, and quantity will decrease
3. The Clean Air Act implemented a cap-and-trade permit system that effectively raised the price of coal with high Sulphur content. How did this new policy affect the equilibrium price and quantity of low-Sulphur coal?
  - a. Price will increase, and quantity will increase
  - b. Price will increase, and quantity will decrease
  - c. Price will decrease, and quantity will increase
  - d. Price will decrease, and quantity will decrease
4. Suppose that new battery technology has decreased the cost of producing electric vehicles. How will this impact the equilibrium price and quantity of retail gasoline?
  - a. Price will increase, and quantity will increase
  - b. Price will increase, and quantity will decrease
  - c. Price will decrease, and quantity will increase
  - d. Price will decrease, and quantity will decrease
5. Suppose that OPEC decides to constrict production levels while at the same time the United States enters into a recessionary state. How will this impact the equilibrium price and quantity of crude oil?
  - a. Price will increase, but the change in quantity is ambiguous
  - b. Price will decrease, but the change in quantity is ambiguous
  - c. Quantity will increase, but the change in price is ambiguous
  - d. Quantity will decrease, but the change in price is ambiguous
6. When there is excessive demand for electricity in an area,
  - a. the locational marginal price increases
  - b. the locational marginal price decreases
  - c. local power generation must be curtailed
  - d. local power generation must be ramped-down
7. Assume that the OPEC cartel is a competing Cournot oligopoly. If one country decides to increase their output, what is the best response from other countries?
  - a. Increase price
  - b. Decrease price
  - c. Increase quantity
  - d. Decrease quantity

8. Which of the following financial derivatives allow the exchange of a variable pricing for fixed pricing?
  - a. Option contracts
  - b. Futures contracts
  - c. Commodity swaps
  - d. Spot-price arbitrage
9. Which of the following factors stands to increase the power available from the wind by the most?
  - a. Air density
  - b. Wind speed
  - c. Rotor diameter
  - d. Turbine hub height
10. The capacity factor measures
  - a. Potential power output
  - b. The total produced power output
  - c. The ratio of installed capacity and load demand
  - d. The ratio of produced power and installed capacity