Name _____ Period _____ Date _____

Supply and Demand Review Worksheet

- **Things to Remember**
  - Supply and Demand are opposites
  - As prices change they react opposite to each other
  - As demand changes, surpluses or shortages may be created.
  - A surplus or shortage may force suppliers to make changes in consumer prices

The <u>Law of Supply</u>:

- As price increases the producer has an incentive to _____ or supply _____.
- If price decreases, the producer has an incentive to _____ or supply _____.

The <u>Law of Demand</u>:

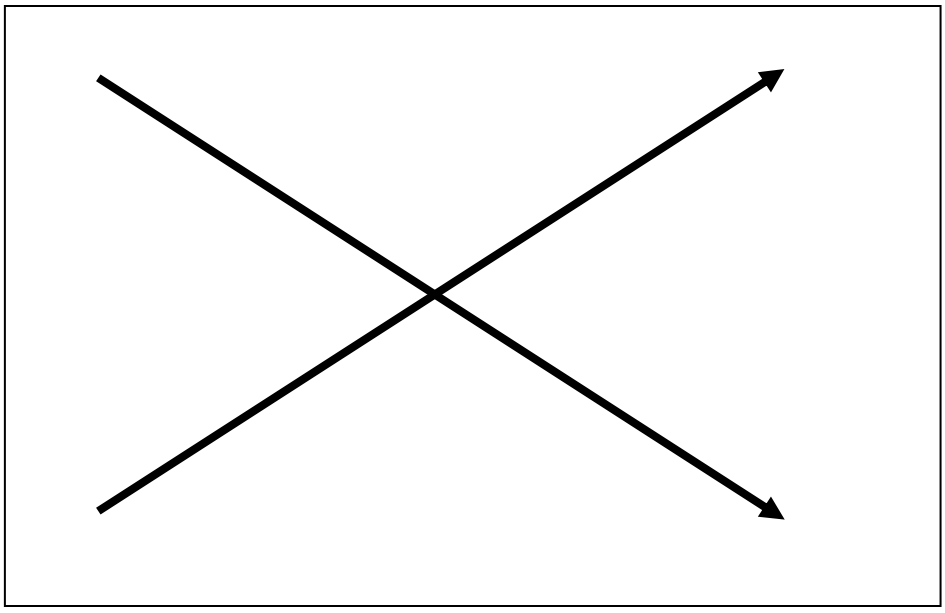
- As the price _____, more people will be unwilling or _____ to purchase the product.
- As the price _____, more people will be _____ and able to purchase the product.

Draw and Label the supply and demand curves for the supply and demand schedules below
Be sure to label ALL of the following items in the chart:

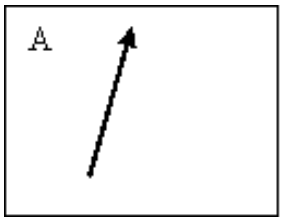
- The X and Y axis (price & quantity)
  - Price in Dollars / Quantity in Millions
- The Supply Curve
- The Demand Curve
- The Equilibrium Point
- Highlight and label the areas where **Surpluses** and **Shortages** occur.

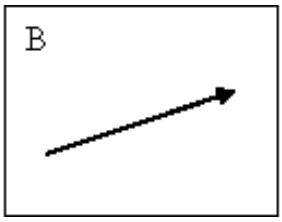
Price In Dollars	Quantity Supplied
$50	250 mil.
$40	210 mil.
$30	180 mil.
$20	100 mil.
$10	50 mil.

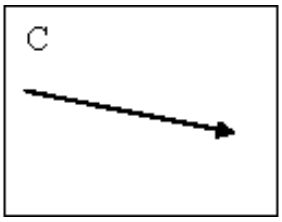
Price In Dollars	Quantity Demanded
$50	100 mil.
$40	130 mil.
$30	160 mil.
$20	210 mil.
$10	300 mil.

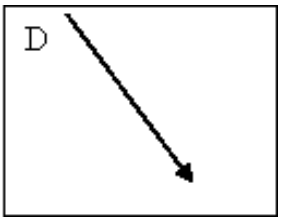


Examine the graphs below. Label each one as either a supply or demand curve. Highlight the curves that are the most elastic of the two supply curves and the most elastic of the two demand curves.









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What does the man not understand?

_____

_____

What can we say about demand and supply?

_____

_____

What happens if demand increases?

_____

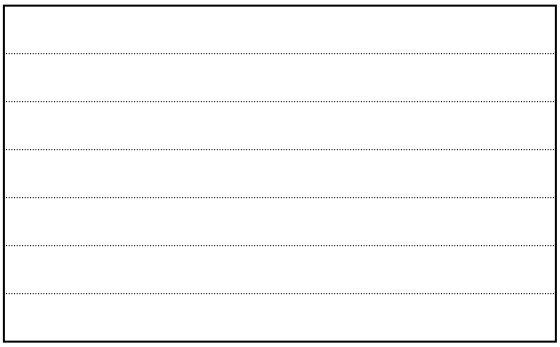
_____

Complete the chart below by filling in each of the factors that influence Supply and Demand:

Factors the Affect Demand	Factors that Affect Supply
•	•
•	•
•	•
•	•
•	•
•	•
	•

Read the following statements and then based on whether there would be a resulting change in supply or demand, draw in the new curve and label the areas where the resulting surpluses or shortages would occur.

A new apartment building in the area fills with families. What would happen to the supply or demand curve for milk in that same area?



A new manufacturing method is developed for cell phones, cutting the costs of production by 15%. What would happen to the supply or demand curve for cell phones.