

Name \_\_\_\_\_ Hour \_\_\_\_\_

## SUPPLY AND DEMAND WORKSHEET

### DEMAND

**Part I:** Use the space below to take notes on the basic principles of demand.

Demand:

Law of Demand:

Demand Schedule:

Demand Curve:

**Part II:**

Use the chart below to replicate the demand schedule we create in class.

Demand Schedule for Product: \_\_\_\_\_

Price Per Item	Quantity Demanded
\$10	
\$8	
\$6	
\$4	
\$2	

Create a demand curve for the product based on the demand schedule: Put price on the Y axis and quantity on the X axis. Label both. Label the demand curve.


**Part III:** Read Chapter 4, Section 2

Why does a demand curve slope downward?

Define:

Income Effect:

Substitution Effect:

Describe a substitution effect scenario based on the demand curve above.

Define Change in Quantity Demanded:

Give an example from the demand curve above to illustrate this

Define Change in Demand:

Explain the 6 factors that can cause a change in demand

1.

2.

3.

4.

5.

6.

You just won the lottery. Draw a new demand curve (on your original curve) to show where demand will shift. Label it "More Income"

Define Normal Goods:

Define Inferior Goods:

## SUPPLY

Define the terms below and follow the instructions listed after the vocabulary.

1. Supply:
2. Law of Supply:
3. Supply Schedule:
4. Supply Curve:

Using the product from your demand worksheet, we will create a supply schedule using the chart below.

Price	Quantity
	0

Plot your supply curve using the information above on the same chart as you plotted your demand curve. Label it supply curve.

**Part V:** Read Chapter 5 Sections 3 & 4. Respond to the following prompts about the reading.

1. Differentiate between change in quantity supplied and change in supply.
2. What happens to supply when production costs increase?
3. What happens to a supply curve when a change in supply occurs?

4. List and describe the six factors that cause a change in supply.
  - a.
  - b.
  - c.
  - d.
  - e.
5. A new battery for electric cars has been introduced. It will allow a car to go 100 miles farther than the current batteries.
  - a. Where will the supply curve for electric cars shift?  
Right or Left (circle one)
  - b. This indicates a(n) increase or decrease in supply. (circle one)
6. The government has placed a tax on the purchase of all high sugar soft drinks.
  - a. Where will the supply curve for high sugar soft drinks shift?  
Right or Left (circle one)
  - b. This indicates a(n) increase or decrease in supply. (circle one)
7. What is elasticity of supply?
8. What is the difference between industries that have elastic supply and those that have inelastic supply?