

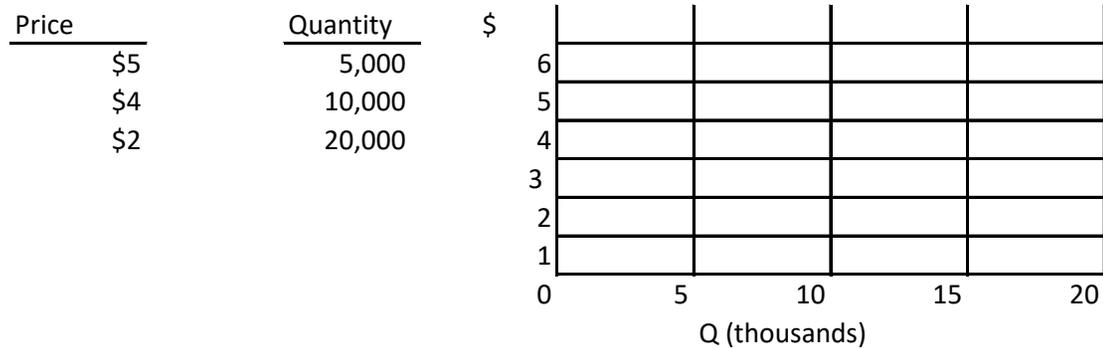
SUCCESS CENTER PRACTICE SHEET

Economics 201

Demand and Supply

Instructions: Use the data below to complete the graph, then answer the questions concerning demand.

1



2 Does this information represent a change in demand or a change in quantity demanded of a good?

- On the above graph, illustrate the change in the market of a good if the price of a related good (complement) rises.
- Show the change when the price of the above good is \$6. Is that a change in demand or quantity demanded?
- What would be the effect on demand if expected future prices of a good were increased?

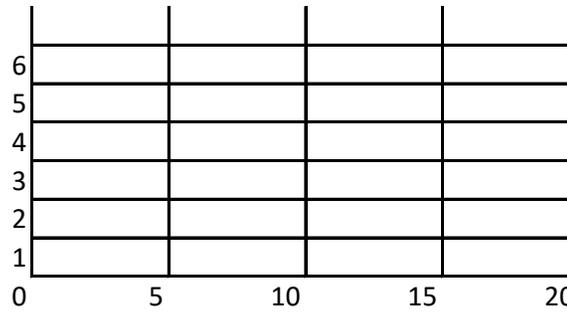
3 What are the influences that change demand?

4 Explain the law of demand.

Instructions: Use the data below to complete the graph, then answer the questions concerning supply.

1

<u>Price</u>	<u>Quantity</u>
\$5	20,000
\$4	10,000
\$2	5,000



(thousands)

- 2 Does this information represent a change in supply or a change in quantity supplied of a good?
 - a. On the above graph, illustrate the change in the market of a good if the price of a related good (substitute) rises.
 - b. Show the change when the price of the above good is \$6. Is that a change in supply or quantity supplied?
 - c. What would be the effect on supply if expected future prices of a good were increased?

- 3 What are the influences that change demand?

- 4 Explain the law of demand.