

WORKSHEET – DEMAND and Supply

Say supply & demand & you'll be an economist.

- ___ 1. Which of the following will **not cause the demand curve for good "A" to shift?**
a. a change in the price of "A". b. a change in the price of B, a complement
c. an increase in consumer income d. a change in the price of C, a substitute.
- ___ 2. A **surplus of a commodity** can be expected whenever:
a. prevailing price of the good is below the equilibrium price[$QD > QS$].
b. prevailing price of the good is above the equilibrium price[$QS > QD$].
c. prevailing price of the good is equal to the equilibrium price[$QD = QS$].
- ___ 3. If the **price of hamburgers increase**, the **demand for hot dogs[substitute]** will:
a. remain unchanged. b. shift to the right(increase). c. shift to the left(decrease).
- ___ 4. Which of the **following statements is correct?**
a. A decrease in the price of Hondas will increase the demand for Fords(substitutes).
b. An increase in income will decrease the demand for spam(an inferior good).
c. A decrease in income will decrease the demand for an spam(an inferior good).
d. An increase in the price of C will increase the demand for complementary product D.
- ___ 5. In **moving along a stable demand or supply curve for gasoline**, what is **not held constant?** [What is changing?]
a. income b. taste c. price of gasoline d. resource cost of gasoline
- ___ 6. Which of the following will **not shift the supply curve?**
a. change in resource cost b. change in consumer taste
c. change in the number of producers d. an increase in taxes
- ___ 7. A **decrease in product price** will cause:
a. QD to decrease b. QS to increase c. QD to increase d. increase in demand
- ___ 8. If the **price of apple pie decreases**, the **demand curve for ice cream[complement]** will:
a. remain unchanged b. shift to the right(increase) c. shift to the left(decrease)
- ___ 9. If **rethread tires are inferior goods**, an **increase in income** will:
a. decrease D, decrease P, & increase Q. c. increase S, decrease P, & increase Q.
b. decrease D, decrease P, & decrease Q. d. increase D, increase P, & increase Q.
- ___ 10. An **increase in the price of Snickers** will result in a(n):
a. increase in the demand for Snickers. b. decrease in the demand for Snickers.
c. increase in QD for Snickers. d. decrease in QD for Snickers.
- ___ 11. A **leftward shift of the supply curve** might be caused by:
a. decrease in resource cost. b. more firms entering an industry.
c. decrease in subsidies. d. a decrease in consumer incomes.
- ___ 12. **Consumer expectations** that the **price of digital cameras** will decrease sharply in the future will:
a. increase S, increase P, & increase Q. c. increase D, decrease P, & increase Q.
b. decrease D, increase P, & decrease Q. d. decrease D, decrease P, & decrease Q.
- ___ 13. If **bologna is an inferior good**, an **increase in consumer incomes** will:
a. not affect the sales of bologna. b. shift the demand curve for bologna to the left.
c. result in a shortage of bologna. d. shift the demand curve for bologna to the right.
- ___ 14. An **increase in the price of hamburgers** resulted in an **increase in the demand for hotdogs**. This indicates that **hamburgers and hotdogs** are:

