

Name: _____

Date: _____

Supply and Demand

1. According to the law of demand, when prices increase, demand will decrease.
- True
 - False

2. The desire to own something and the ability to pay for it.

- supply
- demand
- income
- payment

3. Given the following information create a market demand schedule:

Price of candy: \$1.50

Quantity sold this price: 200

There should be at least 3 additional prices and quantities.

4. What does elasticity of demand measure?

- a decrease in the quantity demanded
- an increase in the quantity available
- how buyers will cut back or increase their demand when price rises or falls
- the amount of time consumers need to change their demand for a good

5. What does supply refer to?

- amount of goods sold
- amount of good that is produced
- human desire
- none of the above

6. The following is an example of a _____.

Price quantity

\$1.50 100

\$1.00 150

\$1.50 200

\$2.00 250

- supply schedule
- market demand schedule
- market supply schedule
- demand schedule

7. _____ is the desire and ability to produce and sell a product.