

Name \_\_\_\_\_

Date \_\_\_\_\_

# Supply & Demand - Answer Key

*Read each question and circle the correct answer.*

1. Supply is \_\_\_\_\_.

- A. something that people make or grow
- B. work that people do for other people

- ☒ C. how much of a good or service is available to buy
- D. how much of a good or service people want to buy

2. What is demand?

- A. Things that people make or grow
- B. Work that people do for other people

- C. How much of a good or service is available to buy
- ☒ D. How much of a good or service people want to buy

3. When would you say the supply of skateboards is high?

- A. When there are not many skateboards available to buy
- ☒ B. When there are a lot of skateboards available to buy

- C. When a lot of consumers want to buy skateboards
- D. When not many consumers want to buy skateboards

4. When would you say the demand for burritos is low?

- A. When there are not many burritos available to buy
- B. When there are a lot of burritos available to buy

- C. When a lot of consumers want to buy burritos
- ☒ D. When not many consumers want to buy burritos

5. When the supply of a good is low, and the demand is high, what usually happens to the price of the good?

- ☒ A. It goes up.
- B. It goes down.
- C. It doesn't change.

6. Shella sells t-shirts that she paints. She just painted lots of shirts and has many available for sale. But it's winter, and it's cold. Not many people want t-shirts. What would be the best thing for Shella to do to get people to buy them?

- A. Keep the price the same
- ☒ B. Lower the price
- C. Raise the price

7. This year, a pest destroyed a lot of the corn crop. Corn didn't grow very well. So, farmers don't have much to sell. A lot of people want corn, and it's hard to find. What will most likely happen to the price of corn?

- ☒ A. It will increase.
- B. It will decrease.
- C. It will stay the same.

8. What is the law of supply?

- A. Price increases, quantity supplied decreases; price decreases, quantity supplied increases.
- ☒ B. Price increases, quantity supplied increases; price decreases, quantity supplied decreases.
- C. Price increases, quantity supplied decreases; price decreases, quantity supplied decreases.
- D. Price increases, quantity supplied increases; price decreases, quantity supplied increases.

9. When the law of demand?

- A. Price increases, quantity demanded increases; price decreases quantity demanded decreases.
- B. Price increases, quantity demanded decreases; price decreases, quantity demanded decreases.
- ☒ C. Price increases, quantity demanded decreases; price decreases, quantity demanded increases.
- D. Price increases, quantity demanded increases; price decreases, quantity demanded increases.

10. A \_\_\_\_\_ occurs when quantity demanded is greater than quantity supplied.

☒ A. shortage

B. surplus

C. market

D. voluntary exchange