

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. She shouldn't change the price of a t-shirt. ☒ B. She should lower the price of a t-shirt. ☐ C. She should raise the price of a t-shirt.
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. The price of corn will go up. ☐ B. The price of corn will go down. ☐ C. The price of corn will stay the same.
8. A new version of a videogame just came out. As a result, not many people want to buy the old version. Stores still have a lot of copies of the old version for sale. What will most likely happen to the price of the old version?
- ☐ A. The price of the old version will go up. ☒ B. The price of the old version will go down. ☐ C. The price of the old version will stay the same.
9. A restaurant makes a special hamburger. Everyone loves the hamburger and wants to order it. Every night, the restaurant runs out of hamburgers after only an hour. What will most likely happen to the price of the hamburger?
- ☒ A. The price of the hamburger will go up. ☐ B. The price of the hamburger will go down. ☐ C. The price of the hamburger won't change.

**10.** A store sells Fourth of July decorations. Lots of people wanted to buy decorations before the Fourth of July. The store started selling out. But after the Fourth of July, not many people wanted to buy decorations. They started to pile up. Which of these is most likely true about the price of decorations?

- ☒ **A.** The price was higher before the Fourth of July than it was after the Fourth of July.
- B.** The price was lower before the Fourth of July than it was after the Fourth of July.
- C.** The price was the same before and after the Fourth of July.