

# Supply & Demand

## Part 1

Read each statement below. Then, circle "low" or "high" to describe the supply and the demand. Predict what will happen to the price.



**1.** This winter is not as cold as past winters. A clothing store ordered a lot of heavy winter coats to sell. But people are not as interested in buying winter coats this year.

The supply of winter coats is **low/high**.

The demand for winter coats is **low/high**.

The price of winter coats will \_\_\_\_\_ because \_\_\_\_\_

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**2.** A new model of a scooter comes out. A store that sells the scooters still has a lot of the old model on the shelves. Not many people want to buy the old model.

The supply of the old scooter model is **low/high**.

The demand for the old scooter model is **low/high**.

The price of the old scooter model will \_\_\_\_\_ because \_\_\_\_\_

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**3.** Before Valentine's Day, everyone wants to buy chocolate hearts. Chocolate hearts are selling out quickly.

The supply of chocolate hearts is **low/high**.

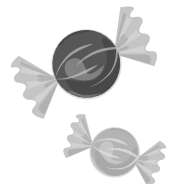
The demand for chocolate hearts is **low/high**.

The price of chocolate hearts will \_\_\_\_\_ because \_\_\_\_\_

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**Part 2**

Think of a good or service. Write it below.

In the boxes on the left, draw what it would look like if the supply of this good or service were **high** and if the supply were **low**. Then, in the boxes on the right, draw what it would look like if the demand for this good or service were **high** and if the demand were **low**.

**SUPPLY****HIGH****LOW****DEMAND****HIGH****LOW**

Below, describe what will happen to the price of your good or service if it has the supply you chose and the demand you chose.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.