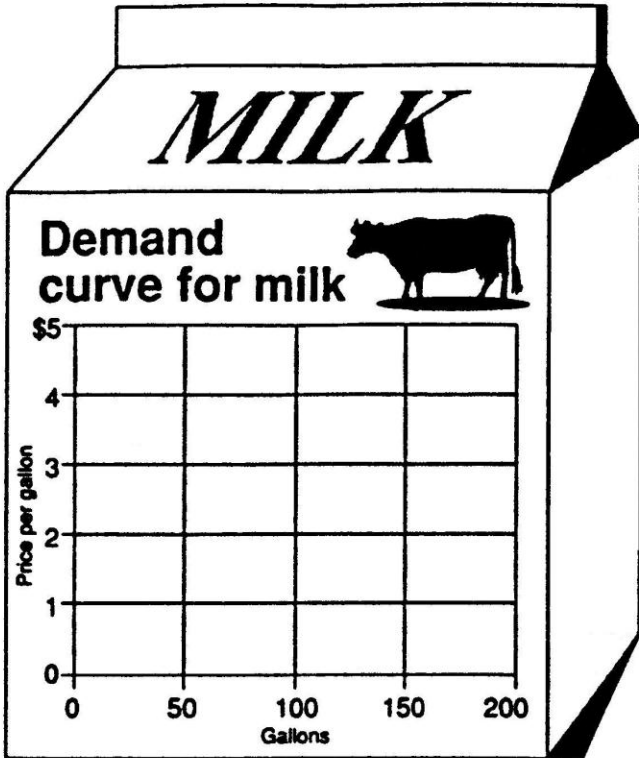# Worksheet - Demand

Name _____
Period _____

89 1. **Demand** – the _____, _____, & _____ to buy a product.

90 2. **Demand schedule** – listing(**table**) showing the _____ _____ at each price.

91 3. **Demand curve** – **graph** showing the _____ _____ at each price.

91 4. **Law of Demand** – quantity demanded of a product varies (inversely/directly) with price.

93 5. **Diminishing marginal utility** – states that the _____ _____ we get from using additional quantities of the product begins to _____.

95 6. **"Change in QD"** means that there is a (shift of the demand curve/movement along a stable demand curve) as a result of a change in _____.

96 7. The **"income effect"** says that when **prices drop** (like gasoline), consumers are (poorer/richer) and they buy (more/less). An **increase in price** means they are (poorer/richer) and they buy (more/less).

96 8. **"Substitution effect"** says that when **prices drop**(like for the iPad), substitute goods (like the Galaxy Tab) become relatively (cheaper/more expensive), and (more/fewer) iPad's are bought.

96 9. A **"change in demand(curve)"** results from a (change in price/change in non-price factors).

97 10. An **"increase in income"** would result in a(an) (increase/decrease) in (D/QD) for **CDs**.

NS 11. An **"increase in income"** would result in a(an) (increase/decrease) in (D/QD) for **spam**.

97 12. Successful **advertising(taste)** normally leads to a(an) (increase/decrease) in (D/QD).

97 13. With the introduction of the **calculator**, the demand for the **slide rule** (increased/decreased) and the demand curve for **slide rules** shifted (right/left).

98 14. If there is a **"decrease in the price of butter"**, then the demand for its **substitute**, **margarine** will (increase/decrease). This is a (direct/inverse) **relationship**.

98 15. If there is a **"decrease in the price of computers"**, then the demand for the **complement software** will (increase/decrease). This is a(an) (direct/inverse) **relationship**.

98 16. If there is a **"decrease in the price of razor handles"**, then the demand for the **complement razor blades** will (increase/decrease).

99 17. If consumers **"expect"** a shortage of citrus crops due to bad weather, there will be a(an) (increase/decrease) in (D/QD) and the demand curve for citrus crops will shift to the (right/left).

99 18. A **"decrease in the number of consumers"** will (increase/decrease) the (D/QD) for (normal/inferior/all) goods. This is a (direct/inverse) relationship.

102 19. **Elastic demand** – a change in price causes a (smaller/larger) change in **QD**.

103 20. **Inelastic demand** – a change in price causes a (smaller/larger) change in **QD**.

103 21. An (elastic/inelastic) product has a **flatter demand curve**.

103 22. An (elastic/inelastic) product has a **steeper demand curve**.

104 23. Total expenditures (increase/decrease) if an **elastic** product's price decreases.

105 24. Total expenditures (increase/decrease) if an **inelastic** product's price decreases.

106 25. If a **purchase** for a product **can be delayed**, it is (elastic/inelastic).

106 26. Put **"I" for inelastic demand** or **"E" for elastic demand** for the following products.
        ___insulin   ___butter   ___new Honda Accord   ___Dell computers ___table salt

107 27. If there are **adequate substitutes** for a product, it is (elastic/inelastic).

107 28. If the purchase **takes only a small portion of income**, it is probably (elastic/inelastic).

Applying what you have learned

29. A **decrease in the price of iFuzzy iWuzzys** will result in a (decrease/increase) in (D/QD).

30. A **decrease in income** will cause a[an] (increase/decrease) in (D/QD) for **spam**.

31. A **decrease in the price of coke** will cause a[an] (increase/decrease) in (D/QD) for **Pepsi**.

32. An **increase in QD** for iPiggy iWiggys suggest (increase in taste/decrease in price/increase in income).

33. **Consumer expectations** of a price increase for Dell Computers will (incr/decr) (D/QD).

34. An **increase in the price of Flip Video Camcorders** will (increase/decrease) (D/QD).

35. A **decrease in taste for iPhones** will cause a(an) (increase/decrease) in (D/QD).

Below are demand schedules for milk and watermelon. Use these schedules to plot the demand curves on the graphs. Refer to pages 89 & 90 for examples.
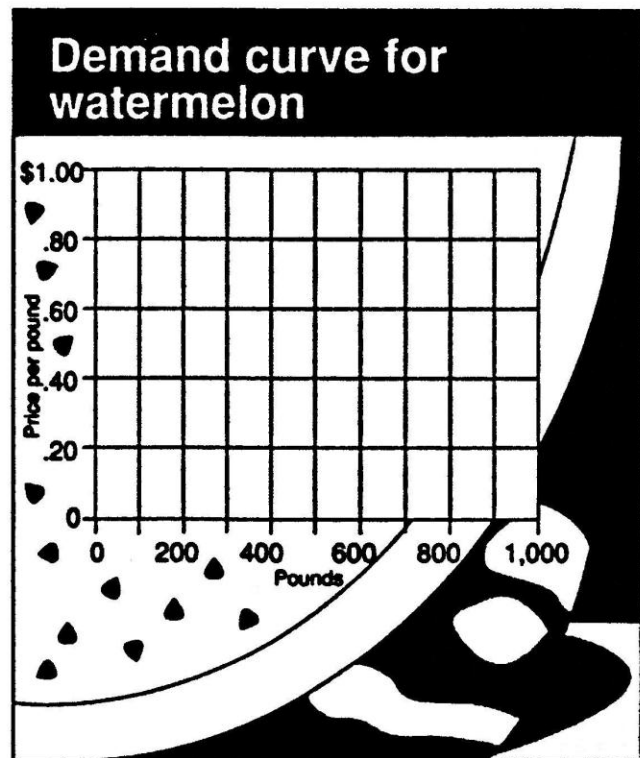
Demand curve for milk

$5
4
3
2
1
0

Price per gallon

0   50   100   150   200
Gallons

Demand Schedule for Milk

	Price Per Gallon	Gallons Demanded
A	$5	100
B	$4	110
C	$3	120
D	$2	140
E	$1	160

Demand Schedule for Watermelon

	Price Per Pound	Pounds Demanded
A	$1.00	100
B	.80	140
C	.60	200
D	.40	400
E	.20	1000

Demand curve for watermelon

$1.00
.80
.60
.40
.20
0

Price per pound

0   200   400   600   800   1,000
Pounds

1. Which product has a relatively elastic demand curve? (flat) _____

2. Which product has a relatively inelastic demand curve? (steep) _____

Worksheet - Demand

89 1. **Demand** – the **desire**, **ability**, & **willingness** to buy a product.[that is, "willing & able"]

90 2. **Demand schedule** – listing(**table**) showing the **Quantity Demanded** at each price.

91 3. **Demand curve** – **graph** showing the **Quantity Demanded** at each price.

91 4. **Law of Demand** – quantity demanded of a product varies (**inversely**/directly) with price.

93 5. **Diminishing marginal utility** – states that the **extra satisfaction [usefulness]** we get from using additional quantities of the product begins to **diminish [decrease]**.

95 6. **"Change in QD"** means that there is a (shift of the demand curve/**movement along a stable demand curve**) as a result of a change in **price**.

96 7. The **"income effect"** says that when **prices drop** (like gasoline), consumers are (poorer/**richer**) and they buy (**more**/less). An **increase in price** means they are (**poorer**/richer) and they buy (more/**less**).

96 8. **"Substitution effect"** says that when **prices drop** (like the **iPad**), substitute goods (like the Galaxy Tab) become relatively(cheaper/ **more expensive**), and (**more**/fewer) **iPad's are bought**.

96 9. A **"change in demand (curve)"** results from a (change in price/**change in non-price factors**).

97 10. An **"increase in income"** would result in a(an) (**increase**/decrease) in (**D**/QD) for **iPhones**.

NS 11. An **"increase in income"** would result in a(an) (increase/**decrease**) in (**D**/QD) for **spam**.

97 12. Successful **advertising(taste)** normally leads to a(an) (**increase**/decrease) in (**D**/QD).

97 13. With the introduction of the **calculator**, the demand for the **slide rule** (increased/**decreased**) and the demand curve for **slide rules** shifted (right/**left**).

98 14. If there is a **"decrease in the price of butter"**, then the demand for its **substitute**, **margarine** will (increase/**decrease**). This is a(an) (**direct**/inverse) **relationship**.

98 15. If there is a **"decrease in the price of computers"**, then the demand for the **complement software** will (**increase**/decrease). This is a(an) (direct/**inverse**) **relationship**.

98 16. If there is a **"decrease in the price of razor handles"**, then the demand for the **complement razor blades** will (**increase**/decrease).

99 17. If consumers **"expect"** a shortage of citrus crops due to bad weather, there will be a(an) (**increase**/decrease) in (**D**/QD) and the demand curve for citrus crops will shift to the (**right**/left).

99 18. A **"decrease in the number of consumers"** will (increase/**decrease**) the (**D**/QD) for (normal/inferior/all) goods. This is a (direct/inverse) relationship.

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106 25. If a **purchase** for a product **can be delayed**, it is (**elastic**/inelastic).

106 26. Put **"I" for inelastic demand** or **"E" for elastic demand** for the following products.
_**I**__insulin _**E**__butter _**E**__new Honda Accord   _**E**__Dell computers   _**I**__table salt

107 27. If there are **adequate substitutes** for a product, it is (**elastic**/inelastic).

107 28. If the purchase **takes only a small portion of income**, it is probably (elastic/**inelastic**).

Applying what you have learned

29. A **decrease in the price of iFuzzy iWuzzys** will result in a (decrease/**increase**) in (D/**QD**).

30. A **decrease in income** will cause a[an] (**increase**/decrease) in (**D**/QD) for **spam**.

31. A **decrease in the price of coke** will cause a[an] (increase/**decrease**) in (**D**/QD) for **Pepsi**.

32. An **increase in QD** for Piggy Wiggys suggest (increase in taste/**decrease in price**/increase in income).

33. **Consumer expectations** of a price increase for Dell Computers will (**incr**/decr) (**D**/QD).

34. An **increase in the price of Flip Video Camcorders** will (increase/**decrease**) (D/**QD**).

35. A **decrease in taste for iPhones** will cause a(an) (increase/**decrease**) in (**D**/QD).