Name _____________  Worksheet - Demand
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.
92 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 __________.
94 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 __________.
95 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.
97 9. A “change in demand(curve)” results from a (change in price/change in non-price factors).
98 10. An increase in income would result in a(an) (increase/decrease) in (D/QD) for CDs.
99 11. An increase in income would result in a(an) (increase/decrease) in (D/QD) for spam.
100 12. Successful advertising (taste) normally leads to a(an) (increase/decrease) in (D/QD).
101 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).
102 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.
103 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.
104 16. If there is a decrease in the price of razor handles, then the demand for the complement razor blades will (increase/decrease).
105 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).
106 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.
107 19. Elastic demand – a change in price causes a (smaller/larger) change in QD.
108 20. Inelastic demand – a change in price causes a (smaller/larger) change in QD.
109 21. An (elastic/inelastic) product has a flatter demand curve.
110 22. An (elastic/inelastic) product has a steeper demand curve.
111 23. Total expenditures (increase/decrease) if an elastic product’s price decreases.
112 24. Total expenditures (increase/decrease) if an inelastic product’s price decreases.
113 25. If a purchase for a product can be delayed, it is (elastic/inelastic).
114 26. Put “I” for inelastic demand or “E” for elastic demand for the following products.
   ___ insulin  ___ butter  ___ new Honda Accord  ___ Dell computers  ___ table salt
115 27. If there are adequate substitutes for a product, it is (elastic/inelastic).
116 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 Schedule for Milk

<table>
<thead>
<tr>
<th>Price Per Gallon</th>
<th>Gallons Demanded</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5</td>
<td>100</td>
</tr>
<tr>
<td>$4</td>
<td>110</td>
</tr>
<tr>
<td>$3</td>
<td>120</td>
</tr>
<tr>
<td>$2</td>
<td>140</td>
</tr>
<tr>
<td>$1</td>
<td>160</td>
</tr>
</tbody>
</table>

### Demand Schedule for Watermelon

<table>
<thead>
<tr>
<th>Price Per Pound</th>
<th>Pounds Demanded</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.00</td>
<td>100</td>
</tr>
<tr>
<td>$.80</td>
<td>140</td>
</tr>
<tr>
<td>$.60</td>
<td>200</td>
</tr>
<tr>
<td>$.40</td>
<td>400</td>
</tr>
<tr>
<td>$.20</td>
<td>1000</td>
</tr>
</tbody>
</table>

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

2. Which product has a relatively inelastic demand curve? **(steep)**
Worksheet - Demand

Name Key
Period _____

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.
92 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].
94 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.
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