

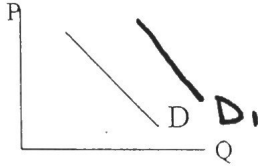
Name: Ms. Utterback Hour: Econ.

DEMAND WORKSHEET

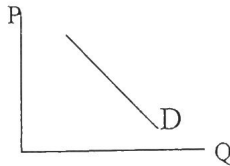
1. The law of demand states- when the price increases, the quantity demanded will _____.
When the price decreases, the quantity demanded will _____.
2. If a change in price has an effect on the change in quantity, this is known as (elastic) / inelastic) demand. Give a specific example of this type of demand.

Demand for pizza going down after a price increase from

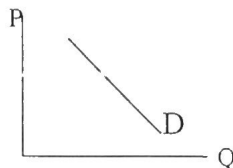
3. If the federal government says that fish is healthy for you, the demand for fish will \$5 → \$7
(increase) / decrease). Which determinant of demand causes this change? Tastes
Which way will the demand curve shift? (left / right) Draw the new demand curve- Label it D1.



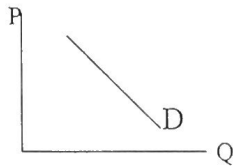
4. Economists announce that the unemployment rate will increase over the next six months.
The demand for new homes will (increase / decrease). Which determinant causes this change?
_____. Which way will the demand curve shift? (left / right) Draw the new demand curve- Label it D2



5. Give an example of diminishing marginal utility involving hamburgers.
6. Define and give an example of a complementary good.
7. Define and give an example of a substitute good.
8. The price of syrup increases, the demand for pancakes will (increase / decrease).
Which determinant causes this change? _____.
Which way will the demand curve shift? (left / right) Draw the new demand curve- Label it D3.



9. The price of airline tickets goes up, the demand for train tickets will (**increase / decrease**).
 Which determinant causes this change? _____ Which way will the demand curve shift? (**left / right**) Draw the new demand curve-Label it D4.



10. Provide a complement for the following items:
 car- tires bread- _____ shoes- _____
11. Provide a substitute for the following items:
 car- bus pen- _____ television- _____

Identifying the determinants of demand., you have seen how an increase in demand is depicted on a graph by a shift in the demand curve.

- When the demand curve shifts upward and to the right, this is indicative of an increase in demand.
- When the demand curve shifts to the left, this is indicative of a decrease in demand.
- Factors that result in a change in demand are the determinants of demand.

Complete the table below. For each determinant of demand:

- indicate whether demand will increase or decrease;
- provide an explanation as to why.

Determinant of demand	Demand increases or decreases?	Explanation
Population increases	↑	more people require more things
Population decreases		
Increase in most peoples' income		
Decrease in most peoples' income	↓	less \$, can buy fewer goods
Price of substitute increases	↑	because the product is cheaper
Price of substitute decreases		
Price of complementary good increases		
Price of complimentary good decreases		
Product becomes a popular fad (change in taste of buyers)		
Product now out of fashion (change in taste of buyers)		
There is an expectation that the price of the product will soon fall	↓	because you'll wait for it to be cheaper.
There is a fear that the economy will go into a recession where many firms will fail and unemployment will increase		