

Supply and Demand

In groups, research the principles of supply and demand to clarify the relationship between supply, demand and price. Provide an example for each principle.

1. If demand for an item is steady, what tends to happen to the price? To the supply?

Example:

2. If demand for an item rises, what tends to happen to the price? To the supply?

Example:

3. If demand for an item falls, what tends to happen to the price? To the supply?

Example:

4. When prices rise, what tends to happen to the demand for an item?

Example:

5. When prices fall, what tends to happen to the demand for an item?

Example:

6. When the demand for an item is greater than the supply, what happens to price?

Example:

7. When the supply of an item is suddenly diminished, what tends to happen to the demand? To the price?

Example:

8. What effect does the media and advertising have on supply and demand?

Example: