

Supply and Demand Worksheet



Partner Names: _____ Hour ___ Date: _____

Date Assignment is due: _____ Why late? _____ Score: + ✓ -

If your project was late, describe why

Directions: Work individually to complete this worksheet. Please initial after each question you write.

+ = all space is completely used w/ legible answers. ✓ = expectations were met but not exceeded. - = redo assignment

1. Draw a supply curve for the following situation. Be sure to label each axis (the x-axis is # of sellers; the y-axis is price):

At \$0 per cob, zero farmers will sell their sweetcorn at the farmers market. At \$1 per cob, maybe 1 farmer will sell their corn. At \$2 per cob, 2 farmers will sell their corn. At \$3 per cob, 3 farmers will sell. At \$4 per cob, all four farmers would sell corn.

2. Draw a demand curve for the following situation. Be sure to label each axis (the x-axis is # of buyers; the y-axis is price):

At \$1 per cob, four buyers will purchase sweetcorn at the farmers market. At \$2 per cob, maybe 3 people will buy corn. At \$3 per cob, 2 people will buy sweetcorn. At \$4 per cob, 1 person will buy.

3. What is the equilibrium price? \$ _____

4. In the spaces below, provide examples of 3 demand curve shifters and explain how these shifters would change the equilibrium price for sweet corn.

5. In the spaces below, provide examples of 3 supply curve shifters and explain how these shifters would change the equilibrium price for sweet corn.

6. What would be a substitute good for this corn? _____

Explain why this good is a substitute for corn: _____

7. What would happen to the equilibrium price of corn if the price of this substitute decreased dramatically?

Why? _____

8. What would be a complementary good for this corn? _____

Explain why this good is complementary to corn: _____

9. What would happen to the equilibrium price of corn if the price of this complementary good decreased dramatically?

Why? _____

10. This farmers' market has multiple corn vendors. One of the best known vendors has to close his stand because his corn is plagued by worms. If you are a vendor of sweetcorn...

How could this **increase** the equilibrium price for your corn? _____

How could this **decrease** the equilibrium price for your corn? _____

13. You are elected to the city council of Fakesburg. The rent of Fakesburg has increased dramatically, and a lot of your constituents are complaining that the price of rent is too high. On average, the rent is about \$1200 per month for a standard-sized apartment.

Another representative on the city council is proposing a bill to keep rent below \$1000 per month or less.

Is this a good idea? _____ Explain: _____

14. What will happen to the level of supply vs. the level of demand for apartments if this bill passes? _____

Why would this happen? _____

15. What will likely happen to the quality of these apartments if this bill passes? _____

Why? _____

16. As a result of your success on city council, you are elected to the US Congress. Your first vote is on a bill to raise the price of agricultural commodities to help farmers. The bill states that whatever the current price is on the market, the government will increase this by 15%. Will you vote in favor or against this bill?

Circle one: In Favor Opposed Explain why: _____

17. You have a chance to amend this bill. How would you change it so that it works economically? _____
