

Handout 5-5

MARKET GAME TEST

Name _____ Class _____

a What does the term "supply" mean? _____

b What does the term "demand" mean? _____

c In your own words, explain the law of supply and demand, i.e. (1) the relationship between quantity supplied and price and (2) the relationship between quantity demanded and price. _____

d Use the following terms to complete the sentences below. You will not need to use all of the terms.

INCREASE

REMAIN UNCHANGED

BE LESS

DECREASE

BE GREATER

(1) If everything else remains the same, the amount of wheat available for sale at a price of \$4.90 per bushel would probably _____ than the amount available for sale at a price of \$3.90 per bushel.

(2) However, the demand for wheat would _____ at \$4.90 than at \$3.90 per bushel.

(3) All things being equal, if less wheat were demanded then the prices charged for wheat would probably _____

(4) If the amount of wheat for sale doubled and the amount of wheat people were willing to buy doubled, the price would probably _____