



Supply and Demand Quiz

Name: _____

Date: _____

Class: _____

1. What might happen if the demand for a new type of sneaker began rising quickly?

- a. The manufacturer would begin making fewer sneakers
- b. The sneaker company would raise the price of the sneakers
- c. People would refuse to pay more money for the sneakers
- d. The sneaker company would lower the price of the sneakers

2. According to the laws of supply and demand, when will companies produce more of a product?

- a. When the price people will pay for it goes down
- b. When demand decreases
- c. When they can sell it for a higher price
- d. When the economy turns downward

3. Which of these is neither a good nor a service?

- a. A gallon of gasoline
- b. A piano lesson
- c. A meal at a restaurant
- d. A \$20 bill

4. The equilibrium point is at the confluence of the supply and demand curves. What does "confluence" mean?

- a. Topmost point
- b. Intersection
- c. Midpoint
- d. Lowest point

5. Who would set the equilibrium point for the price of a new type of sneaker?

- a. The manufacturer
- b. The consumer
- c. Either A or B — it depends on the cost to produce the sneaker
- d. Neither A nor B -- the equilibrium point is set by market forces

6. Why do prices go down when consumers start saving their money?

- a. Consumers become less willing to spend money on goods and services
- b. Manufacturers start producing fewer products
- c. Demand for currency goes up as people begin saving
- d. Demand for goods begins to outpace supply

7. What is likely to happen if the price of a new pair of sneakers went up?

- a. Demand for the sneakers would increase
- b. Demand for the sneakers would decrease
- c. Merchants would begin offering sales on the sneakers
- d. It would be impossible to find a pair in stores

8. What factor is most likely to cause an increase in demand for a new type of automobile?

- a. A commercial in which the car is endorsed by a popular celebrity
- b. A comedian making fun of the car on late-night TV
- c. A rumor that the car's gas tank is prone to explosion
- d. The price of the car going up

9. Which condition would lead to the highest prices?

- a. Low supply, high demand
- b. High supply, high demand
- c. High supply, low demand
- d. Low supply, low demand

10. When do we say that the market has "cleared?"

- a. When consumers begin saving their money
- b. When demand outpaces supply
- c. When supply outpaces demand
- d. When supply and demand balance out