

Reviewing Price, Supply, and Demand Answer Key

Name: _____ Date: _____

Directions: Use the words below to fill in the blanks.

1. As price goes up, the quantity demanded **goes down**. As price goes down the quantity demanded **goes up**.
2. The **market clearing price or equilibrium price** is the price at which quantity demanded equals quantity supplied.
3. The **quantity supplied** is how much producers are willing and able to supply at a certain price.
4. As price **goes up**, quantity supplied goes up. As price **goes down**, quantity supplied goes down.
5. The amount buyers are willing and able to buy at a certain price is called **quantity demanded**.
6. When quantity demanded is greater than quantity supplied a **shortage** occurs.
7. A **surplus** occurs when the quantity demanded is less than the quantity supplied.