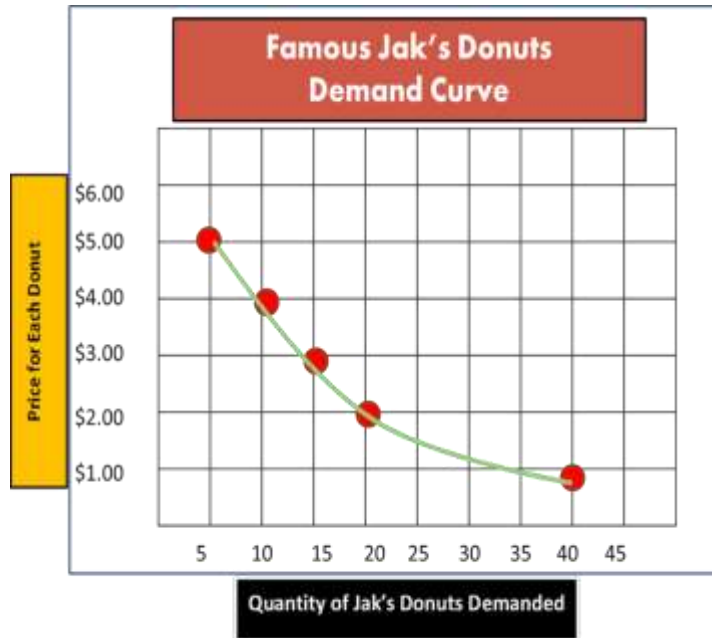


Answer Keys

Famous Jak's Donuts GRAPHING A DEMAND CURVE



1.If the price for one Famous Jak's donut is \$4.00, what will be the number of donuts demanded by consumers?

Demand will be 10 donuts

2.What if the price for a donut is \$3.00, how many will be demanded?

Demand will be 15 donuts

3.What if the price for a donut is \$1.00, how many will be demanded?

Demand will be 40 donuts

4.As the price for a donut decreases, what happens with the amount demanded?

Demand for the donuts increases.

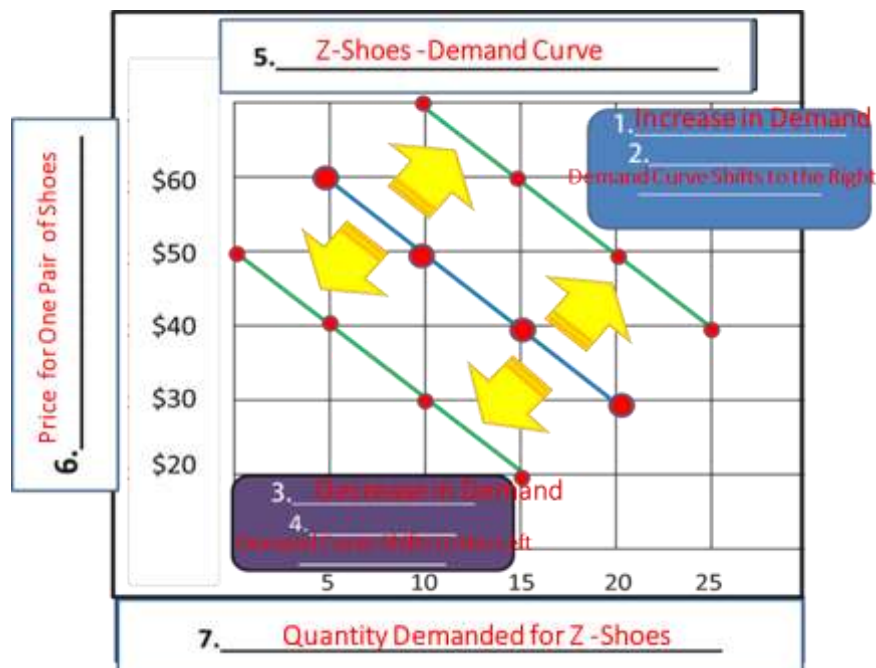
5.As the price for a donut increases, what happens with the amount demanded?

Demand for the donuts decreases.

6.What do you think would happen with demand, if the price of a donut was \$10?

Mostly likely there would be no demand for donuts at that price.

Z-Shoes LABELING THE DEMAND CURVE GRAPH AND SHIFT



- If Z-Shoes cost \$40, what would the demand be for them?
15 pair of shoes would be demanded.
- What does the law of demand state about a decrease in price?
As price for a good decreases demand will increase.
- Beside price, what are five factors that can change demand for Z-Shoes?
*Change in Income
Tastes
Population
Complementary Goods
Substitute Goods*
- If people's income increases, what would most likely occur with the demand for Z-Shoes?
Demand will increase.
 - Would an increase in people's income shift the demand curve for Z-Shoes to the right or left?
The demand curve will shift to the right.
- What would occur with demand for Z-shoes if people's taste changed and people preferred to wear sandals instead?
Demand would decrease.
 - Would this change in taste, cause the demand curve to shift to the right or left?
The demand curve would shift to the left.
- What might be a substitute good for Z-Shoes?
Any footwear that can be substituted for Z-shoes.

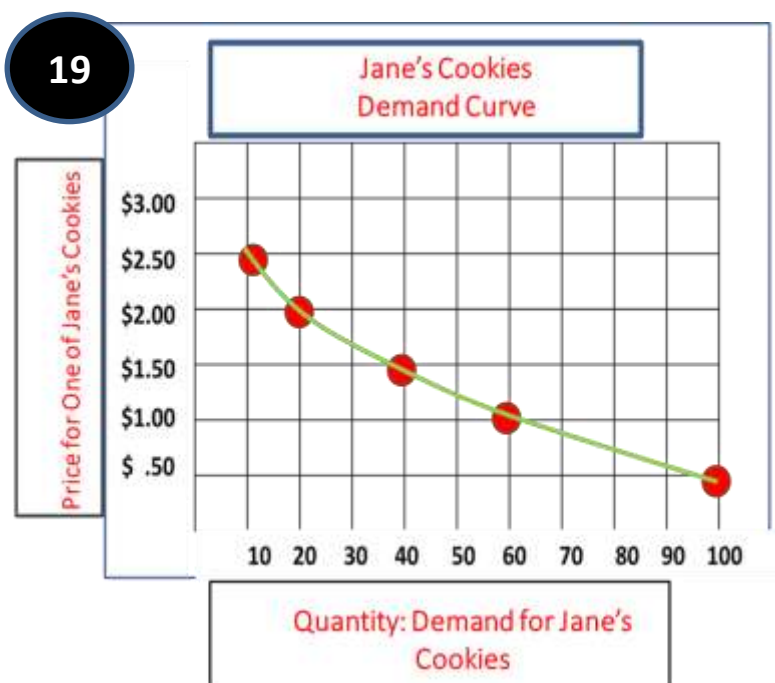
Little John's Burgers DEMAND CURVE GRAPH



1. What would the demand for Little John's burgers be if the price for one burger was \$10?
15 burgers would be demanded.
2. What would be the demand if the price for one burger was \$4.
15 burgers would be demanded.
3. As the price of John's burgers increases, what happens with the demand for them?
Demand for the burgers decreases.
4. What happens with the demand for the burgers, if the price drops?
Demand for the burgers increases.
5. If people's income increases, what would happen with the demand for John's Burgers?
Demand would increase.
 - a. Would this cause the demand curve to shift to the right or left?
Demand curve would shift to the right.
6. What would happen with the demand for burgers if people's taste changed and people preferred to eat healthier?
Demand for burgers would decrease. People would demand and eat less burgers.
 - a. Would this cause the demand curve to shift to the right or left?
It would shift to the left.
7. What would occur with the demand for Little John's burgers, if there was a large increase in the population around John's restaurant?
Demand would increase.
 - a. Would this cause the demand curve to shift to the right or left?
The demand curve would shift to the right.

Assessment The Law of Demand

1. C 2. B 3. A 4. C 5. B 6. D 7. D
8. C 9. A 10. B
11. demand
12. substitute good
13. complementary goods
14. consumer
15. T
16. F
17. T
18. F



20. Lower income, a change in tastes, a decrease in population, a substitute good, or an increase in price of a complementary good.

21. A decrease in demand would cause the demand curve to shift to the left.

