



eLearneconomics: Core – Demand (1)

Student response _____

(a) Draw up the demand curve of the schedule below.

Annabelle's demand schedule for paperback books each year	
Price (\$)	Quantity Demanded
5	11
10	9
15	7
20	5
25	3
30	1

(b) Why does Annabelle buy more paperback books as the price falls?

(c) State the law of demand.

(d) Define consumer demand.

(e) Describe what a demand schedule illustrates.

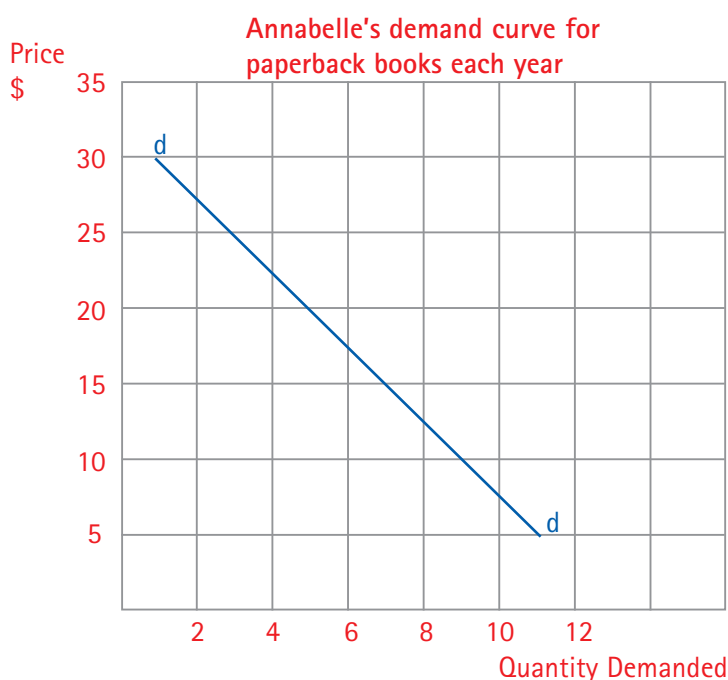
eLearneconomics: Core – Demand (1a)



Solution

(a) Draw up the demand curve of the schedule below.

Annabelle's demand schedule for paperback books each year	
Price (\$)	Quantity Demanded
10	11
11	9
12	7
13	5
14	3
15	1



(b) Why does Annabelle buy more paperback books as the price falls?

Can afford more, willing and able to buy more.

(c) State the law of demand.

As price increases quantity demanded decreases, ceteris paribus. OR as price decreases quantity demand increases, ceteris paribus.

(d) Define consumer demand.

The amount of a good or service that one individual is willing and able to buy at various prices.

(e) Describe what a demand schedule illustrates.

A demand schedule illustrates the relationship between price and quantity demanded of a good or service that an individual is willing and able to buy at a range of prices in the form of a table.



eLearneconomics: Core – Demand (2)

Student response _____

Jacob was prepared to purchase one McKats burger meal at a price of \$10 each month; he is willing to buy 15 at \$2. Also, at \$4 seven are sold and three are sold at \$6.

(a) Complete the schedule below and then graph the information.

(b) Explain how the demand curve illustrates the law of demand.

(c) Indicate on the demand curve you drew the effect of a price increase from \$4 to \$8.

(d) What is demand?

eLearneconomics: Core – Demand (2a)



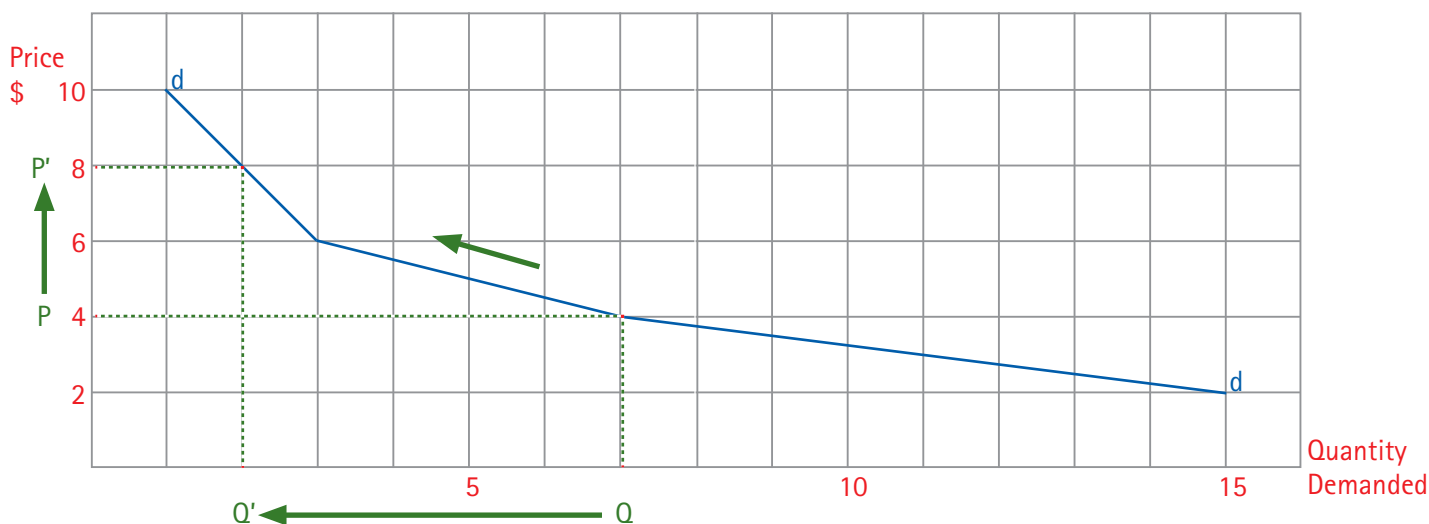
Solutions

Jacob was prepared to purchase one McKats burger meal at a price of \$10 each month; he is willing to buy 15 at \$2. Also, at \$4 seven are sold and three are sold at \$6.

(a) Complete the schedule below and then graph the information.

Jacob's demand schedule for McKats burger meals each month	
Price (\$)	Quantity Demanded
2	15
4	7
6	3
10	1

Jacob's demand curve for McKats burger meals each month



(b) Explain how the demand curve illustrates the law of demand.

As price increases quantity demanded decreases, ceteris paribus. OR as price decreases quantity demand increases, ceteris paribus.

(c) Indicate on the demand curve you drew the effect of a price increase from \$4 to \$8.

(d) What is demand?

The amount (quantity) of a good or service one individual is willing and able to buy at various prices.



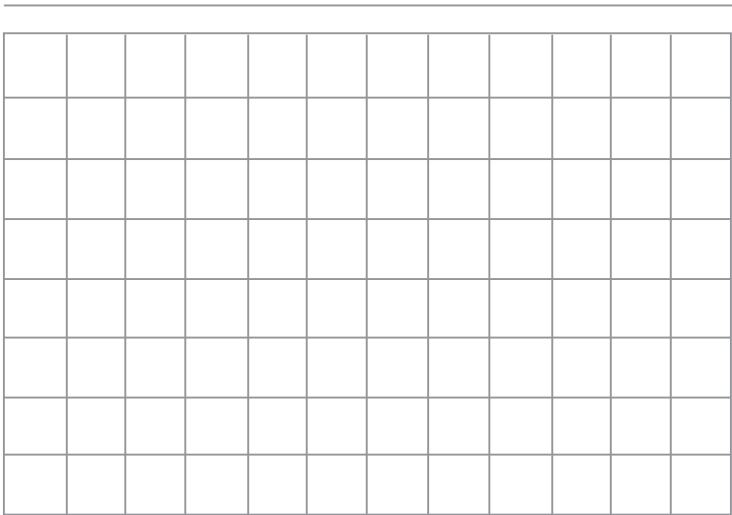
eLearneconomics: Core – Demand (3)

Student response _____

Inoke discusses his demand for fish. He indicates that at \$5 per kg he would buy 12 kg. When the price rises to \$20 per kg he would buy only 4 kg, and 8 kg when the price is \$10 per kg.

(a) Construct a demand schedule of Inoke's demand for fish each month in the space below.

(b) Use the schedule above to draw Inoke's demand curve for fish in the grid below.



(c) Explain why Inoke buys more at a lower price.

(d) Explain how a want is different from a demand.

eLearneconomics: Core – Demand (3a)



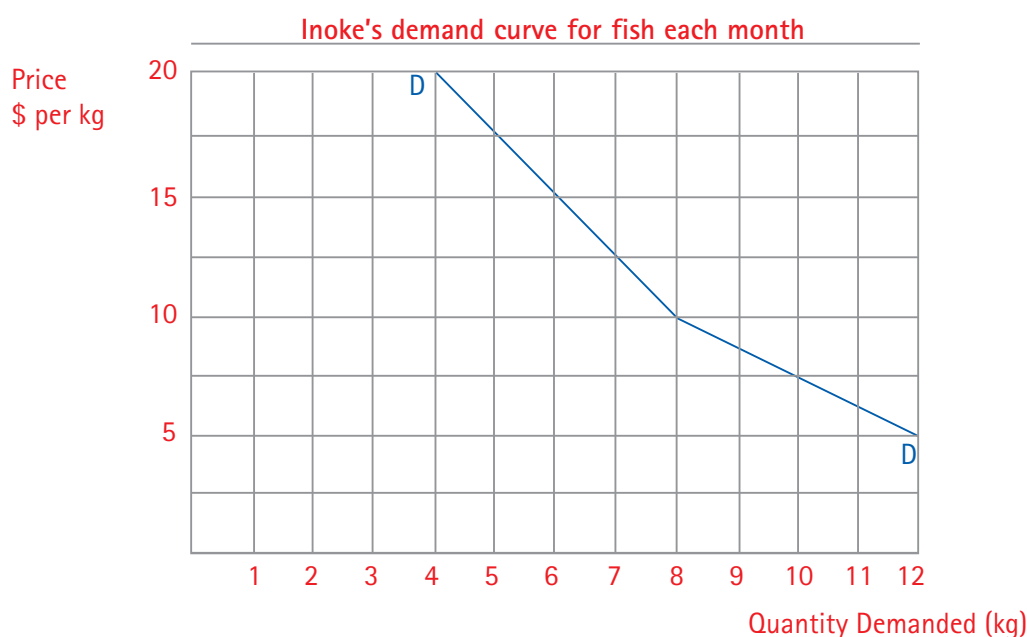
Solutions

Inoke discusses his demand for fish. He indicates that at \$5 per kg he would buy 12 kg. When the price rises to \$20 per kg he would buy only 4 kg, and 8 kg when the price is \$10 per kg.

(a) Construct a demand schedule of Inoke's demand for fish each month in the space below.

Inoke's demand schedule for fish each month	
Price \$ per kg	Quantity Demanded (kg)
5	12
10	8
20	4

(b) Use the schedule above to draw Inoke's demand curve for fish in the grid below.



(c) Explain why Inoke buys more at a lower price.

Can afford more/willing and able to buy more (affordability is the critical idea).

(d) Explain how a want is different from a demand.

Idea that a want is an unlimited desire, whereas a demand is a desire backed by the ability to pay.



eLearneconomics: Core – Demand (4)

Student response _____

Price and quantity demanded have an inverse relationship.

- (i) Draw a demand curve using the schedule opposite and the grid provided.
- (ii) Describe what is meant by a consumer and consumer demand.
- (iii) Show a price increase from \$6 per pizza to \$12 per pizza.
- (iv) Give a reason why the quantity demanded of pizza by Julian has changed.

Julian's demand schedule for pizza each month	
Price (\$)	Quantity Demanded
2	26
4	22
6	18
8	16
10	14
12	12

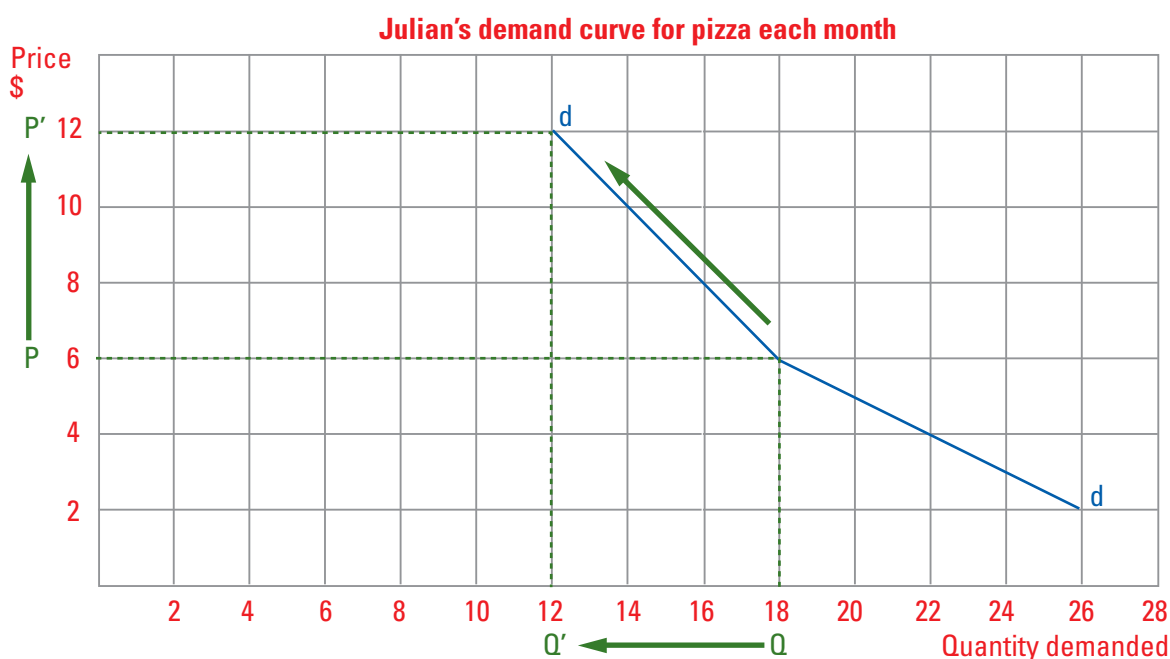


Solutions

Price and quantity demanded have an inverse relationship.

- (i) Draw a demand curve using the schedule opposite and the grid provided.
- (ii) Describe what is meant by a consumer and consumer demand.
- (iii) Show a price increase from \$6 per pizza to \$12 per pizza.
- (iv) Give a reason why the quantity demanded of pizza by Julian has changed.

Julian's demand schedule for pizza each month	
Price (\$)	Quantity Demanded
2	26
4	22
6	18
8	16
10	14
12	12



A consumer is an individual (person) who buys goods or services, for example, Julian buying pizza.

Consumer demand is the quantity (or amount) of a good or service that one individual is willing and able to buy at various prices.

As the price increases from \$6 to \$12 the quantity demanded of pizza by Julian decreases from 18 pizzas to 12 pizzas because he cannot afford them with his income. OR he is less willing and able to buy them with his limited income and he will now switch to buying a substitute because it has become relatively cheaper.