

Assessment and Activities

Review Content Vocabulary

On a separate sheet of paper, match the letter of the term best described by each statement below.

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|----------------------|------------------------|
| a. demand | f. complement |
| b. demand elasticity | g. elastic demand |
| c. change in demand | h. substitutes |
| d. demand curve | i. marginal utility |
| e. Law of Demand | j. unit elastic demand |
- statement that more will be demanded at lower prices and less at higher prices
 - graph that shows the quantity demanded at all possible prices in the market at a given time
 - measure of responsiveness relating change in quantity demanded to a change in price
 - a given change in price causes a relatively larger change in quantity demanded
 - products that can be used in place of one another
 - a principle illustrating that consumers demand different amounts at every price, causing the demand curve to shift to the left or the right
 - additional satisfaction or usefulness as more units of a product are acquired
 - the desire, ability, and willingness to buy a product
 - a given change in price causes a proportional change in quantity demanded
 - product that increases the use of another product

Review Academic Vocabulary

On a separate sheet of paper, use each of these terms in a sentence that reflects the term's meaning in the chapter.

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|---------------|----------------|
| 11. prevail | 14. illustrate |
| 12. inversely | 15. technical |
| 13. principle | 16. adequate |

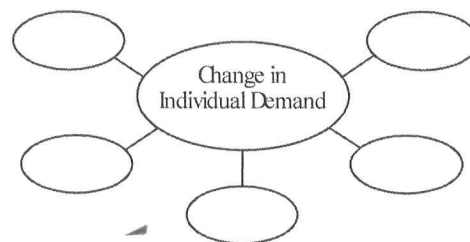
Review the Main Ideas

Section 1 (pages 91–95)

- Describe a demand schedule and a demand curve. How are they alike? How do they differ?
- Discuss what is meant by the Law of Demand.
- Explain how the principle of diminishing marginal utility is related to the downward-sloping demand curve.

Section 2 (pages 97–101)

- Explain the difference between the income effect and the substitution effect.
- Identify and describe the five factors that can cause a change in individual demand, using a graphic organizer similar to the one below.



Section 3 (pages 103–109)

- Describe the difference between elastic demand and inelastic demand.
- Explain how the total expenditures test can be used to determine demand elasticity.
- Identify and then describe the determinants of demand elasticity.

Critical Thinking

- The BIG Ideas** Assume that demand for pizza has been steady for some time. How do you think the market demand curve for pizza would be affected by (1) an increase in everyone's pay, (2) a successful pizza advertising campaign, (3) a decrease in the price of hamburgers, and (4) new people moving into the community? Explain your answers.