

2.1 Demand and supply curves

Name: _____ Class: _____ Date: _____

Total: 18 marks

KEY WORDS demand 需求 • supply 供给 • supply curve 供给曲线 • quantity demanded 需求量
• demand curve 需求曲线

Objective

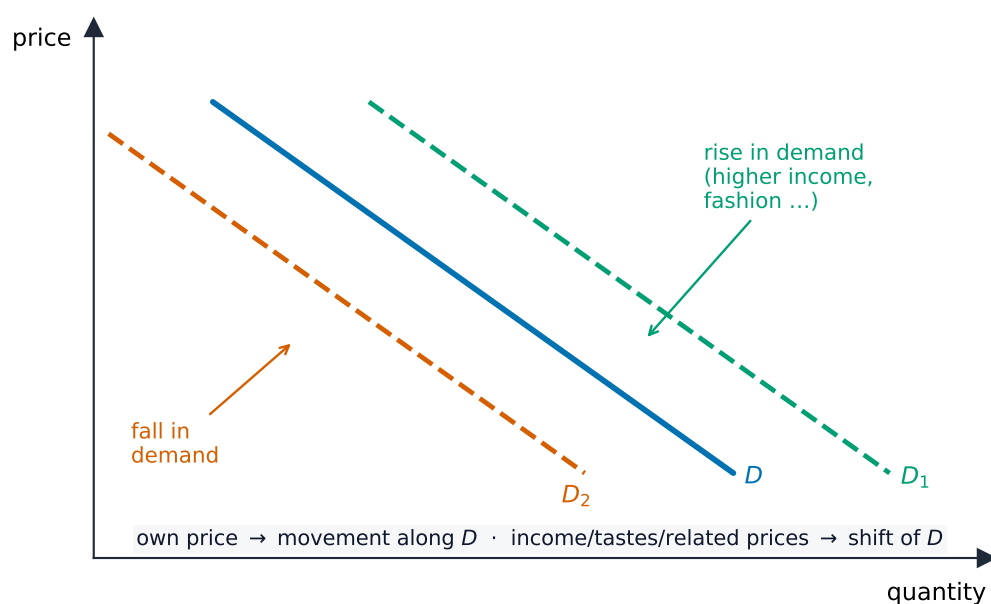
Build the skills to answer exam questions on **demand and supply curves** 需求与供给曲线 — the **laws of demand and supply** 需求与供给定律, the difference between a **movement along** 沿曲线移动 and a **shift** 移动 of a curve, and the **determinants** 决定因素.

You must be able to:

- draw demand and supply curves and explain their slopes
- distinguish a movement along a curve from a shift of the whole curve
- analyse the determinants that shift demand and supply

1 Worked examples

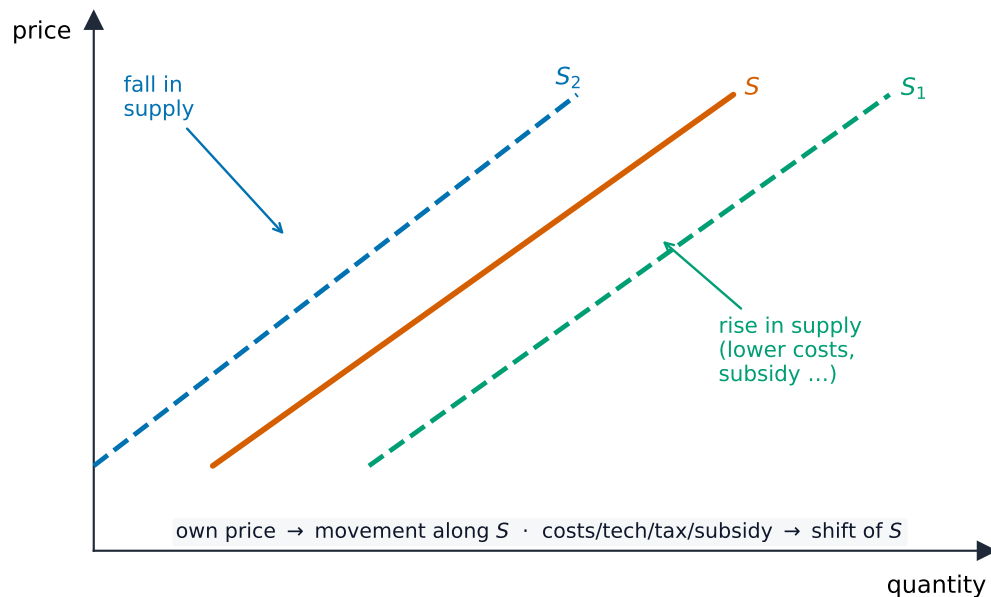
■ Movements and shifts



Own-price change = movement along; any other change = shift of the whole curve

- **Law of demand:** price up → quantity demanded down (curve slopes **down**).

- **Law of supply:** price up → quantity supplied up (curve slopes **up**).
- **Shifts demand:** income, price of a **substitute** 替代品 / **complement** 互补品, tastes, population.
- **Shifts supply:** costs of production, technology, a **subsidy** 补贴 or **tax** 税.



The supply curve and its shifts (the matching analysis for supply)

Answer shapes: an **Explain** [up to 8] answer should use a labelled diagram (AO3); **Discuss** [12] adds a judgement (AO4).

2 Practice

2.1 Define the term *demand*. [2]

2.2 State two determinants that shift the demand curve. [2]

2.3 State the effect on the demand for coffee of a rise in the price of tea (a substitute). [1]

3 Exam-style questions

3.1 A fall in the good's **own price** is shown on a demand diagram as a: [1]

- | | |
|---|---|
| A | B |
| C | D |
- A** rightward shift of the demand curve
 - B** leftward shift of the demand curve
 - C** movement down along the demand curve
 - D** shift of the supply curve

3.2 Using a demand diagram, explain how a rise in consumer income affects the demand for a normal good. [6]

3.3 Explain two determinants that could shift the supply curve of wheat to the left. [6]