

## The Demand and Supply Curve.

### Assessment Task

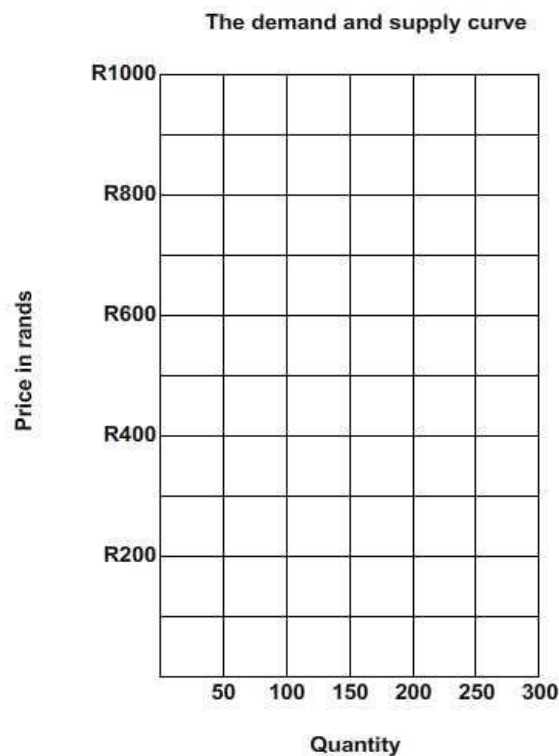
#### **Demand and supply curve (Individual activity) (LO1 AS3)**

Study the tables below and answer the questions that follow.

Price per pair of jeans	Quantity demanded
R1000	50
R800	100
R500	200
R300	300

Price per pair of jeans	Quantity supplied
R1000	300
R800	200
R500	100
R300	50

1. Draw a demand and supply curve on the graph below. This graph will show the quantity supplied and the quantity demanded. [10 marks]



2. Mark the point on the graph where the two curves intersect (meet). [1 mark]

Answer the questions below.

- a) What does this point tell you about the demand and supply (at that point)? [1 mark]
- b) What is this point called? [1 mark]
- c) What is the quantity demanded and supplied at that point? [2 marks]
- d) At what price will the pairs of jeans be sold for at this point? [1 mark]
- e) Explain what a market price is. [2 marks]
- f) What would happen to the demand if the supplier increases the price of the jeans? [1 mark]
- g) What would happen to the demand if the supplier reduces the price of the jeans? [1 mark]

