

The Relationship between supply, demand and price.

Assessment Task

The relationship between demand, supply and price (Individual activity) (LO1 AS3)

1. Answer the questions in your workbook.

Example:

Question: Why do people buy more grapes in December than in July?

Answer: People buy more grapes in December than in July because grapes are a summer fruit. More farmers sell their grapes in summer. The supply is high and the prices are lower because the demand is satisfied easily✓. [2 marks]

a) Why are oranges more expensive in December than in July? [2 marks]

b) Why is holiday accommodation more expensive during peak holiday seasons? [2 marks]

c) Why do clothing stores have sales at the end of the winter and summer seasons? [2 marks]

2. Record your answers in table format. [9 marks]

	Demand	Supply	Price
Example: Grapes in December	High	High	Low
1. Oranges in December			
2. Holiday accommodation during peak holiday season			
3. Clothing sales at the end of winter and summer seasons			