Demand and Supply

In many countries, extra staff are employed by the postal service and additional collections of post are made to clear the large amount of mail before holiday periods.

What happens to the demand and supply curves for postal services during these periods?

	demand curve	supply curve
A	moves to left	moves to left
B	moves to left	stays the same
C	moves to right	moves to right
D	stays the same	moves to right

C

A good is successfully advertised.

What is the most likely impact on the demand and supply curves for the good?

	demand curve	supply curve
A	shift to left	shift to left
B	shift to left	shift to right
C	shift to right	shift to left
D	shift to right	shift to right

C

In 2002 the world price of cocoa was higher than in 2001.

Which combination of changes in the demand for and the supply of cocoa would always lead to a rise in price?

	demand for cocoa	supply of cocoa
A	higher	higher
B	higher	lower
C	lower	higher
D	lower	lower

B

The following was printed in a magazine. **C**

More soft drinks are being consumed than ever before by the 16 – 34 age group. Schweppes, the drink manufacturers, claim that over 45 per cent of their soft drinks are now being consumed without alcohol as people switch away from alcoholic spirits.

How would this change be represented on a demand and supply diagram for soft drinks?
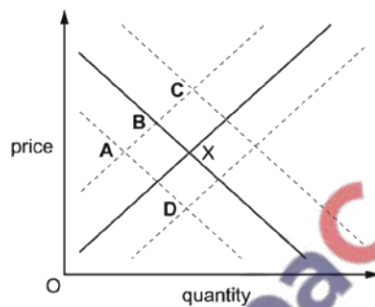
A   decrease in demand

B   decrease in supply

C   increase in demand

D   increase in supply

The diagram shows the demand and supply of places in independent (private) schools which charge fees. The equilibrium position is X. **A**

The costs of independent (private) schools rise. Also a report is issued which states that Government schools achieve very good examination results.

What is likely to be the new equilibrium position?

In 2010, floods caused severe damage to wheat production. **B**

How would this be shown on a market demand and supply diagram for wheat?

	supply curve	demand curve
A	no change	shift to the right
B	shift to the left	no change
C	shift to the left	shift to the left
D	shift to the right	shift to the left