

Economics Unit 2 Objectives

In order to successfully complete this unit, you will need to:

1. Explain the law of demand and differentiate between demand and quantity demanded.
 - a. Additional Terms – demand schedule, market demand, demand curve
 - b. Text Pages – 85-90
2. Identify and give examples of determinants of demand, explaining how each affects demand for a good or service.
 - a. Additional Terms – normal good, inferior good, substitutes, complements, income effect
 - b. Text Pages – 91-96
3. Describe elasticity of demand and explain the factors that make a demand curve more or less elastic.
 - a. Additional Terms – inelastic, elastic
 - b. Text Pages – 97-102
4. Explain the law of supply and differentiate between supply and quantity supplied.
 - a. Additional Terms – supply schedule, market supply, supply curve
 - b. Text Pages – 110-113
5. Identify and give examples of determinants of supply, explaining how each affects supply for a good or service.
 - a. Additional Terms – input costs, subsidy, excise tax, regulation
 - b. Text Pages – 123-127
6. Explain how supply and demand interact to form an equilibrium price in a market.
 - a. Additional Term – supply shock
 - b. Text Pages – 133-134, 141-147, 151
7. Analyze the causes and effects of surpluses and shortages in a market.
 - a. Additional Terms – disequilibrium, price ceiling, price floor, rent control, minimum wage
 - b. Text Pages – 134-140
8. Correctly draw, label, interpret and explain supply and demand graphs, including shifts and changes in equilibrium.
 - a. Additional Terms – N/A
 - b. Text Pages – 88-90, 92, 112-113, 125, 143, 147

The graphic organizers on pages, 105, 129, and 155 are excellent study aids for this unit.

Economics – Koelzer

Important Dates for Unit 2: Supply & Demand

Date

Assignment Due

9/20

2.1 Notes p. 85-90

Draw a correctly labeled demand schedule and a corresponding demand graph. Write a brief explanation of what the schedule and graph show.

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2.2 Notes p. 91-96

Create and fill in the following table in your notebook.

Demand Determinants	Definition	Effect on Demand
Determinant 1		
Determinant 2		
Determinant 3		
Determinant 4		
Determinant 5		

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Demand Determinant Poster

Using Pictures or drawings, make a small poster (paper provided in class) that describes one determinant of demand and demonstrates its effect on a demand curve.

9/25

2.3 Notes p. 97-102

Create a cause and effect chart that explains how at least three items affect the elasticity of demand for a product. Draw two demand graphs – one with a properly labeled elastic demand curve and one with a properly labeled inelastic curve.

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2.4 Notes p. 110-113

Draw a correctly labeled supply schedule and a corresponding supply graph. Write a brief explanation of what the schedule and graph show.

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2.5 Notes p. 123-127

Create and fill in the following table in your notebook.

Supply Determinants	Definition	Effect on Supply
Determinant 1		
Determinant 2		
Determinant 3		
Determinant 4		
Determinant 5		

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2.6 Notes p. 133-134, 141-147, 151

On a page in your notebook, draw 4 large correctly labeled supply/demand graphs with an equilibrium point. On each graph, show and explain the effects of one of the following changes:

- Demand increases
- Demand decreases
- Supply increases
- Supply decreases

10/1

2.7 Notes p. 134-140

On a page in your notebook, draw 4 large correctly labeled supply/demand graphs with an equilibrium point. On each graph show and explain the effects of one of the following events:

- A price below equilibrium
- A price above equilibrium
- A price floor
- A price ceiling

10/2

Graphing Quiz

10/4

UNIT 2 TEST