

Answer the questions **thoroughly and in complete sentences**. You may use any of the notes in your notebook.

1. Describe the difference between the Law of Demand and quantity demanded.
2. What is the principle of marginal utility AND what does it have to do with a demand curve.
3. Describe the difference between a movement on the demand curve and a shift.
4. Why does price matter?
5. Explain each of the six factors that can shift a demand curve.
6. Give two examples of complements in economics.
7. Why is the law of demand not always true?
8. Describe a good with inelastic demand and a good with elastic demand.
9. Why would the knowledge of demand be useful to a consumer? To a businessperson?
10. Draw a demand curve for each scenario.
11. Label P and Q.
12. Label D1 as the first curve and D2 as the second curve with arrows showing the direction the curve shifts.
13. Name the factor that shifts the curve.
14. There is a buy one get one free sale on ketchup. What happens to demand for mustard?
15. Heavy rain is in the forecast. What happens to demand in the umbrella market?
16. Scientists discover a pill that cures cancer. What happens to demand in the hospital bed market?
17. The price of bicycles goes down. What happens to the demand in bike helmets?