

7

Demand

- The willingness and ability of customers to pay a given price to buy a good or service is known as
 - effective demand.
 - market demand.
 - quantity demanded.
 - the law of demand.
- Which statement explains why there might be a decrease in the demand for sugar?
 - Consumers are more aware of health issues related to sugar.
 - Demand for coffee and tea has increased.
 - New technologies increase the output of sugar.
 - There is an increase in the supply of land to produce sugar.
- Which factor does **not** explain why the demand for cars in China has continuously increased?
 - effective advertising and marketing from car makers
 - greater household disposable incomes
 - higher interest rates in China
 - lower import taxes on cars made outside of China
- Which products are considered to be complementary goods?
 - apples and oranges
 - shampoo and conditioner
 - sugar and tea
 - tea and coffee
- Which is **not** a determinant of demand?
 - income
 - price
 - subsidies
 - substitutes
- Explain why an ordinary demand curve is downwards sloping. [2 marks]

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7 DEMAND

7 Explain the difference between a *movement* and a *shift* in demand. [4 marks]

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8 Explain **two** factors that might affect the demand for ice cream. [4 marks]

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9 Using a relevant example, describe the difference between *individual demand* and *market demand* for a product. [4 marks]

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10 Using an appropriate demand diagram, analyse the impact on the demand for Coca-Cola following a successful advertising campaign by Pepsi Cola. [6 marks]

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