Section 1: Guided Reading and Review

Understanding Demand

A. As You Read
As you read Section 1, for each boxed example, fill in the key term the example illustrates in the space provided.

1. the higher the price of pizza, the fewer slices people will buy

2. eating salad or tacos instead of pizza when the price of pizza goes up

3. buying fewer slices of pizza when rising prices reduce real income

4. Price  Quantity
   1   5
   2   4
   3   3
   4   2

5. Price  Quantity
   1   300
   2   250
   3   200
   4   150

B. Reviewing Key Terms
Complete each sentence by writing the correct term in the blank.

6. A ________ is a table that lists the quantities of a good a person will buy at each price that may be offered in the market.

7. A ________ is a table that lists the quantities of a good demanded by all consumers at each price that may be offered in the market.

8. A ________ is a graphical representation of a demand schedule.

9. The ________ is the change in consumption resulting from a change in real income.

10. The ________ says that when a good’s price is lower, consumers will buy more of it.