



Section 1: Guided Reading and Review

Combining Supply and Demand

A. As You Read

As you read Section 1, supply the requested information in the spaces provided.

In the Case of the Pizzerias

1. The market equilibrium price: _____
2. The market supply level: _____
3. The market demand level: _____

In Any Market Environment

4. How equilibrium is shown on a supply and demand graph: _____

5. Two possible outcomes of disequilibrium: _____

6. Supplier price response to excess demand: _____

7. Condition under which market forces will push market toward the equilibrium: _____

In the Case of Government Intervention

8. Purpose(s) of rent control: _____

9. Negative results of ending rent control: _____

10. Effect on labor when minimum wage exceeds equilibrium: _____
11. Purpose of Northeast Dairy Compact: _____

B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank provided.

12. When government wants to ensure that “essential” goods or services are within the reach of all consumers, it may impose a(n) _____.
13. If prices rise too high, a market may face the problem of _____.
14. The one and only price at which quantities supplied equal quantities demanded indicates the market _____.
15. Minimum wage is an example of a government-imposed _____.
16. If car manufacturers produce more or fewer cars than customers will buy, the car market will be in _____.