

### EconEdLink: Those Golden Jeans -- Activity 3

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Complete the Word Bank. Read each sentence, select a word from the word bank that correctly completes the sentence. Words may be used more than once.

#### Word Bank

goes up                      goes down                      substitute                      shortage  
incomes                      quantity supplied                      market clearing price  
equilibrium price                      quantity demanded

1. The law of demand states that as price goes up, the quantity demanded \_\_\_\_\_ and that as price goes down the quantity demanded \_\_\_\_\_.
2. The \_\_\_\_\_ is the price at which quantity demanded equals quantity supplied.
3. The \_\_\_\_\_ is how much producers are willing and able to supply at a certain price.
4. The law of supply states that as price \_\_\_\_\_, quantity supplied goes up and as price \_\_\_\_\_, quantity supplied goes down.
5. The amount buyers are willing and able to buy at a certain price is called \_\_\_\_\_.
6. When quantity demanded is greater than quantity supplied a \_\_\_\_\_ occurs.
7. A \_\_\_\_\_ occurs when the quantity demanded is less than the quantity supplied.
8. Consumers are willing to buy more at lower prices than at higher prices because price decreases are similar to raises in \_\_\_\_\_.
9. As the price of a product decreases, that product becomes cheaper relative to other goods and services. As the price of a product drops, consumers tend to \_\_\_\_\_ relatively cheaper products for relatively more expensive products.