

Market Schedule for Demanders and Producers

Answer Key

Part A:

Directions: Use the market schedule to answer the questions below.

Market Schedule for Slices of Pizza		
Price Per Slice	Quantity Demanded	Quantity Supplied
\$2.50	200	1,000
\$2.00	400	800
\$1.50	600	600
\$1.00	800	400
\$0.50	1,000	200

1. Supposed the pizza owners want to sell their slices of pizza at \$2.50 a slice. How many slices are the pizza owners willing and able to supply at \$2.50? *1,000*
2. How many slices are consumers willing to buy at \$2.50? *The consumers are willing to buy 200 slices at \$2.50.*
3. What problem does this price create? *At a price of \$2.50, the pizza owners will find that they are unable to sell all the pizza slices they produce. They will have a surplus of 800 pizza slices.*
4. Now suppose the pizza owners set the price of pizza slices at \$1.00. How many slices are the pizza owners willing and able to supply at \$1.00? *The pizza owners are willing and able to supply 400 slices at \$1.00.*
5. At a \$1.00, how many slices are consumers willing and able to buy? *At \$1.00, consumers are willing and able to buy 800 slices.*
6. What would happen if the price is set at \$1.00? *There will be a shortage.*

Part B:

Directions: Use the data in the market schedule to draw a graph showing the quantity demanded and quantity supplied.



1. Circle the market clearing price. *1.50*
2. How many pizzas will be purchased at this price? *600*
3. What would happen if the price is above the marketing clearing price? *There would be a surplus because the quantity supplied would be greater than the quantity demanded.*
4. What would happen if the price is below the market clearing price? *There would be a shortage because the quantity demanded would be greater than the quantity supplied.*