

# Demand and Supply

## Worksheet: Multiple Choice

Study the questions below and select the correct answer from the four possible answers given.

1. Which of the following is not an assumption about consumer behaviour?

Makes rational decisions

Has limited income

Saves regularly

Makes choices

2. In economics, the term *effective demand* refers to:

The quantity of consumers who might buy a product

The quantity of consumers who said they would buy a product during market research

The quantity of consumers who will buy a product

The total number of consumers who make up the market for a product

3. The normal relationship between *price* and *demand* is:

Price rises, demand falls

Price falls, demand falls

Price rises, demand rises

None of the above

4. In economics, when purchasing a new car, a consumer would regard fuel as:

A substitute product

A marginal product

A complementary product

An inferior product

5. In economics, the term *equilibrium* describes which of the following situations?

Demand is greater than supply

Demand is less than supply

Demand equals supply

None of the above