Market Schedule for Demanders and Producers

Name: _____ **Date:** _____

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?

2. How many slices are consumers willing to buy at $2.50?

3. What problem does this price create?

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?

5. At a $1.00, how many slices are consumers willing and able to buy?

6. What would happen if the price is set at $1.00?

Part B:

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

Market Schedule for Slices of Cheese Pizza
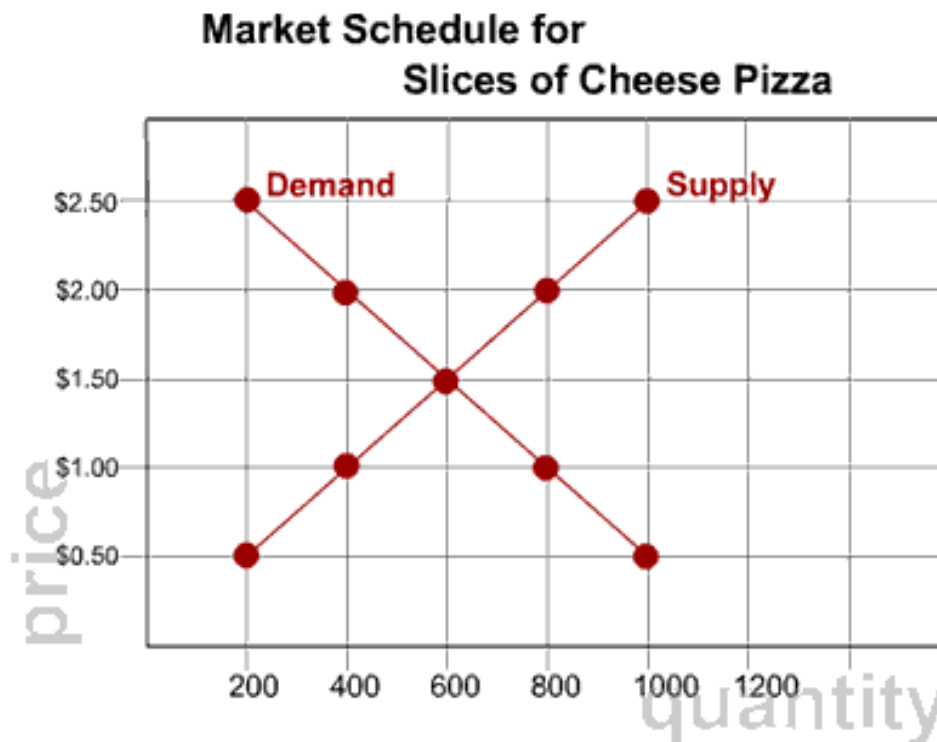
1. Circle the market clearing price.

2. How many pizzas will be purchased at this price?

3. What would happen if the price is above the marketing clearing price?

4. What would happen if the price is below the market clearing price?