**Demand Curve**

**Demand is the quantity of goods and services which people are WILLING and ABLE to BUY at a given price point and period**

**Individual Demand**

1) Imagine your favourite ice cream was on offer at a number of possible prices. How many bars of chocolate would you be prepared to buy each month at each possible price? Fill in the table below

|  |  |
| --- | --- |
| **Price of favourite ice cream** | **Your demand per week** |
| 70 |  |
| 60 |  |
| 50 |  |
| 40 |  |
| 30 |  |
| 20 |  |
| 10 |  |

2) You now completed your **demand schedule** for the ice cream which is a table relating quantity demanded to price.

Use this information to pot a line graph with the graph paper provided to show your individual demand curve for the ice cream.

3) Which of the following statements applies to your demand curve?

1. It shows that as price increases, quantity demanded falls and vice versa.
2. It is downward sloping.
3. Price and quantity demanded move in opposite directions

**Market Demand**

Producers of apples have the following information about the amount of apples consumers will buy each moth given a number of possible prices. The market demand schedule is as follows.

|  |  |
| --- | --- |
| **Price of apples (cents)** | **Market demand per month** |
| 50 | 100,000 |
| 40 | 150,000 |
| 30 | 200,000 |
| 20 | 250,000 |
| 10 | 300,000 |

4) With the price on the vertical axis and quantity per month along the bottom axis, plot the market demand curve for apples with the graph paper provided and label it DD.

5) Use the graph to work out how many apples would be demanded at a price of

1. 35 cents
2. 15 cents

6) If the apple producers together wished to sell the following amount of apples each year, approximately what price should they charge?

1. 225,000
2. 400,000

7) Explain why the market demand curve for apples slopes downwards.

8) Explain the difference between individual demand and market demand

9) Without looking it up, can try and guess what the Law of Demand is?