

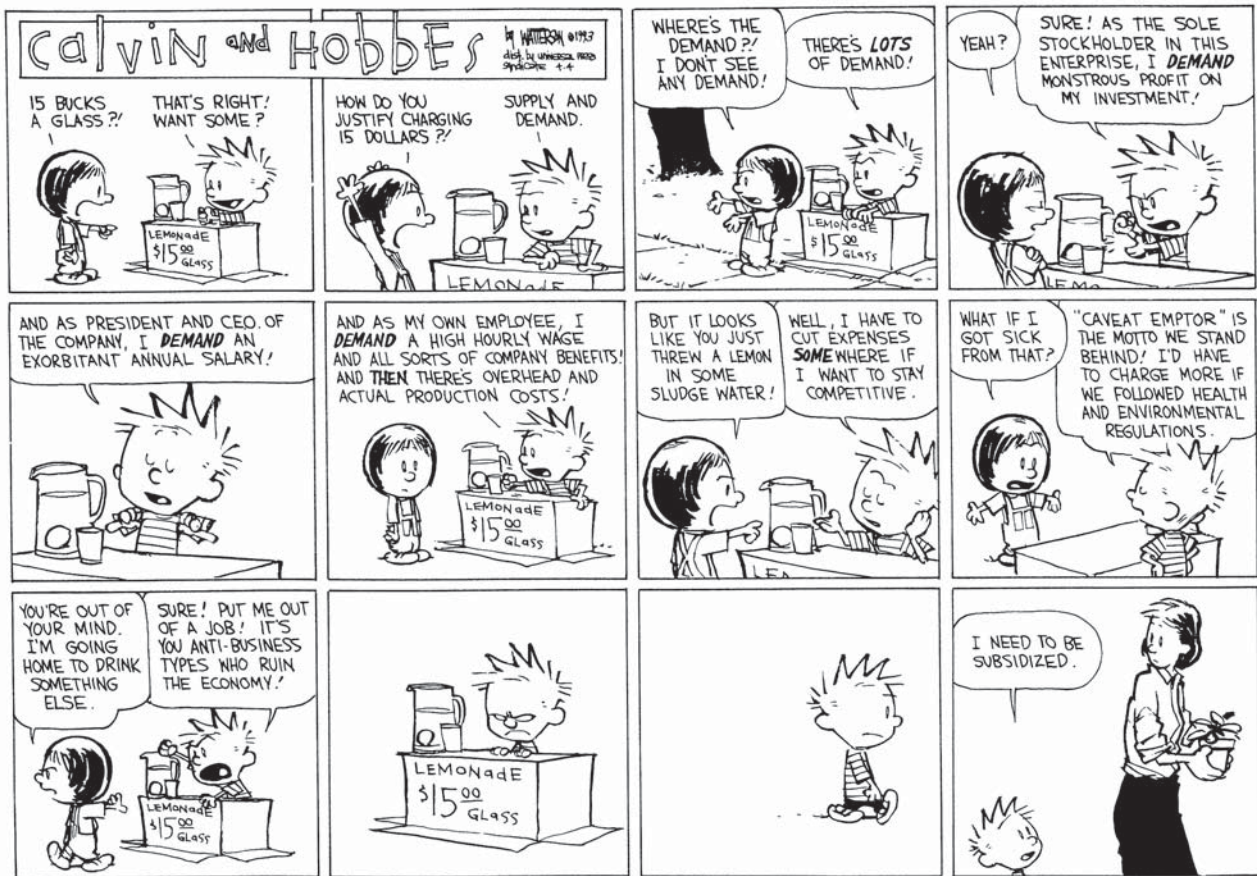
# ECONOMIC CARTOON 4



## I DEMAND!

Demand is a fundamental concept in economics. It is perhaps best defined as what people in the marketplace want to buy and at what price. But demand can get complicated. To truly understand demand, one needs also to understand the law of demand, quantity demanded, the demand curve, the elasticity of demand, and many other concepts. An imperfect understanding of demand can lead to some interesting results, as you shall see.

**Directions:** Study the cartoon below. Then answer the questions that follow.



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# ECONOMIC CARTOON 4



## EXAMINING THE CARTOON

### Multiple Choice

1. The boy in the cartoon is named Calvin. What role does Calvin claim to play in his lemonade business?  
a. owner                      b. president and CEO                      c. employee                      d. all of the above
2. Which group of people does the cartoon indict?  
a. workers                      b. stockholders                      c. business people                      d. all of the above
3. What is ironic about the statement “Caveat emptor [let the buyer beware] is the motto we stand behind!”?  
a. *Caveat emptor* is a motto of consumer caution—not something for a business to “stand behind.”  
b. *Caveat emptor* is a motto for huge, multinational firms—not a lemonade stand.  
c. *Caveat emptor* is a nonsense term—something a small child would make up.  
d. *Caveat emptor* is a Latin phrase—it has nothing to do with business.

### Critical Thinking

4. **Analyzing the Cartoon** Identify at least five different political statements this single cartoon makes.

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5. **Expressing Your Opinion** Which political statements identified in your answer to question 4 do you agree with? Explain why you think each one is fair or not.

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