

# GUIDED READING Activity 7-2

For use with textbook pages 177–185

## **T**HE DEMAND CURVE AND ELASTICITY OF DEMAND

### RECALLING THE FACTS

**Directions:** Use the information in your textbook to answer the questions.

#### Graphing the Demand Curve

1. What is shown on a demand schedule?

\_\_\_\_\_

2. What is a demand curve?

\_\_\_\_\_

#### Determinants of Demand

3. How is a change in quantity demanded similar to and different from a change in demand?

Similar: \_\_\_\_\_

Different: \_\_\_\_\_

4. What five factors can affect the demand for a specific product?

\_\_\_\_\_

\_\_\_\_\_

5. What is a complementary product?

\_\_\_\_\_

#### The Price Elasticity of Demand

6. What do economists call elasticity?

\_\_\_\_\_

7. What is the measure of how much consumers will respond to price changes?

\_\_\_\_\_

8. What is the difference between elastic and inelastic demand?

\_\_\_\_\_

9. What three factors determine the price elasticity of demand?

a. \_\_\_\_\_

b. \_\_\_\_\_

c. \_\_\_\_\_