

LAWS OF SUPPLY AND DEMAND

What are the Laws of Supply and Demand?

The term **supply** refers to the **amount of goods** that are available for sale. The term **demand** refers to how many people want the good or service that is for sale. The price of a good has an effect on how many people want to buy it.

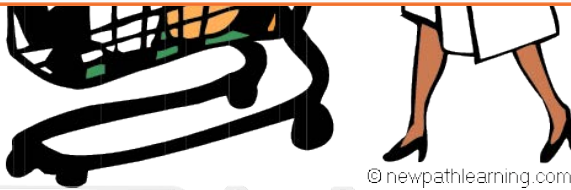
Many markets operate through **supply and demand**. Goods are made and sold according to the demand by the people. If a consumer wants more of one good or service, the manufacturers will make more, which in turns makes more money for the manufacturers.

Both supply and demand are affected by price. The price of a good affects the amount of supply and demand. The price of a good affects the amount of supply and demand.



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