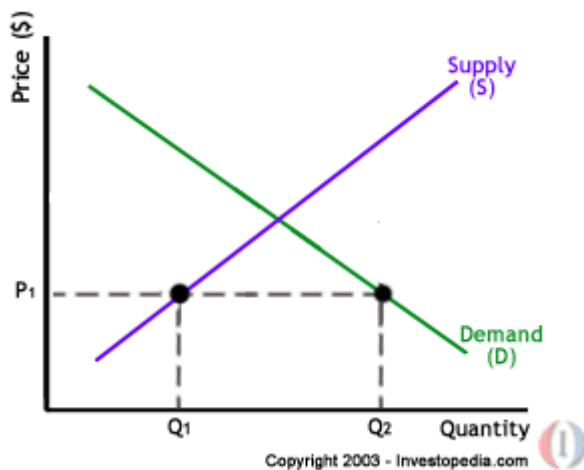
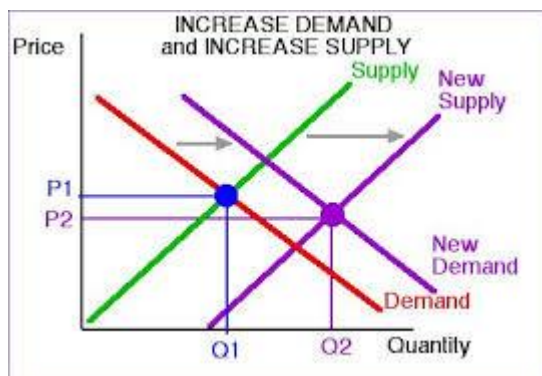


Supply and demand



1. The diagram above shows a typical supply and demand curve. Explain the relationship between supply and demand.
2. The point at which the two line cross is known as the “equilibrium point”. Explain what is meant by this term.



3. The above diagram shows a “shift” in both the supply curve and the demand curve. Give examples of two possible causes of:
 - a. A demand curve shift
 - b. A supply curve shift