

2.2 Demand

Name: _____ Class: _____ Date: _____

Total: 16 marks

KEY WORDS demand 需求 • good 物品 • income 收入 • consumers 消费者 • demand curve 需求曲线

Objective

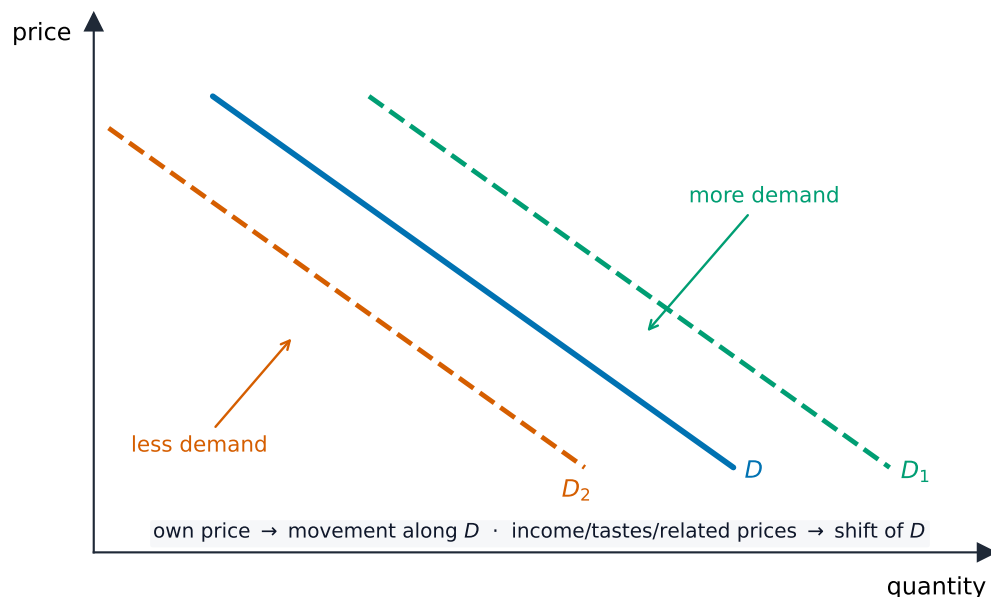
Build the skills to answer exam questions on **demand** 需求 — the **law of demand** 需求定律, **movements along** versus **shifts** of the curve, and the **conditions of demand** 需求条件.

You must be able to:

- state the law of demand and explain the downward curve
- distinguish a movement along from a shift of the demand curve
- explain the conditions that shift demand

1 Worked examples

■ The demand curve



Own-price change = movement along; any other change = shift

- **Law of demand:** price up → quantity demanded down (an **inverse relationship** 反向关系), *ceteris paribus*.

- **Conditions of demand** (shift the curve): **income** 收入, **tastes** 偏好, price of a **substitute** 替代品 / **complement** 互补品, **population** 人口, advertising.

Answer shapes: an **Analyse** [up to 6] answer may use a demand diagram; **Discuss** [8] adds a judgement (Ev).

2 Practice

2.1 State the *law of demand*. [2]

2.2 State two conditions that shift the demand curve. [2]

2.3 State the effect on the demand for tea of a rise in the price of coffee (a substitute). [1]

3 Exam-style questions

3.1 A fall in the good's **own price** is shown on a demand diagram as a: [1]

- **A** rightward shift of demand
 - **B** leftward shift of demand
 - **C** movement down along the demand curve
 - **D** shift of supply
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3.2 Using a demand diagram, explain how a rise in consumer income affects the demand for a normal good. [4]

3.3 Analyse how a successful advertising campaign would affect the demand for a product. [6]

Solutions

IGCSE Economics answers are marked by **level of response**: award **K** knowledge, **App** application, **An** analysis and **Ev** a justified judgement.

2.1 when the price of a good rises, the quantity demanded falls, and when the price falls, the quantity demanded rises (2 for a clear statement; 1 for a partial idea).

2.2 any two of: income; tastes; price of a substitute/complement; population; advertising (1 + 1).

2.3 the demand for tea rises (1).

3.1 C. An own-price change is a movement along the demand curve.

3.2 [4] K 1 + **diagram up to 2** (labelled axes, demand shifts right $D \rightarrow D_1$) + An 1 — higher income raises demand for a normal good $\rightarrow$ the curve shifts right $\rightarrow$ more is demanded at every price.

3.3 [6] K/App/An — advertising is a condition of demand $\rightarrow$ a successful campaign makes the product more popular and known $\rightarrow$ at every price, more consumers want to buy it $\rightarrow$ the whole demand curve shifts to the right $\rightarrow$ demand rises (and, with supply unchanged, the price and quantity rise).