Name_____Date_____Period_____

CrashCourse Supply and Demand: Crash Course Economics #4

Instructions--Note taking is an essential skill. At the college level students are expected to take notes from a live lecture with no aids (no Powerpoints or guided notes). This worksheet has been adapted from the "Cornell" format to help guide students through the note taking process. Complete Parts "A" and "B" while watching, and complete part "C" after you are finished with the video.

A.Key Vocabulary	**B. Guided questions**
1. Market	1. Who benefits when a customer purchases strawberries from a store?
2. Voluntary exchange	2. What is the ideal result of voluntary exchange?
3. Price Signals	
4. Supply & Demand Curve	3. What happens to demand if prices go up?
5. Law of demand	4. How can weather impact supply of strawberries?
6. Law of Supply	5.When is the market approach to supply and demand not practical?
7. Surplus	
8. Shortage	6. Can unregulated free markets create problems? Give 1 example.
9. Equilibrium price	

C. Summary 5-8 sentences

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A.Key Vocabulary	**B. Guided questions**
1. Market 2. Voluntary exchange 3. Price Signals 4. Supply & Demand Curve 5. Law of demand 6. Law of Supply 7. Surplus 8. Shortage 9. Equilibrium price	1. Who benefits when a customer purchases strawberries from a store? Both parties benefit that is why voluntary exchange is so great. 2. What is the ideal result of voluntary exchange? Sellers can't make themselves better off without making the buyer better off (a win win situation). 3. What happens to demand if prices go up? Demand goes down. 4. How can weather impact supply of strawberries? Cold weather can impact crop growth and reduce supply. 5.When is the market approach to supply and demand not practical? Fire fighters, police, National defense. Answers vary. 6. Can unregulated free markets create problems? Give 1 example. Yes, corruption and crime. Being able to sell organs may create incentive to steal organs where no incentive existed before.

C. Summary 5-8 sentences

Markets are based on the concept of voluntary exchange. Each party in the exchange is getting some benefit from the transaction. All these voluntary exchanges tell businesses what to produce and how much to sell the product for, price signals.

The law of supply states that the higher the price of an item the more incentive producers have to put more of that product into the market. The law of demand states that when prices are high, consumers have less incentive to purchase a product and will buy less. This information can be placed on supply and demand curves. Where the two data sets intersect is called the equilibrium price.

Many factors impact supply and demand: such as consumer tastes, weather and price.