
3.3

Managing Resources

Demand and Supply

Learning Outcome Notes

LO 3.3 - Evaluate how changes in the supply and demand of goods and services in different markets can affect prices

3.3

Managing Resources

Demand and supply

Past Exam Questions and Answers

NOTE - Very Important

It is very important when answering exams question that you use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information form the learning outcome
3. That you can apply the information form the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the

Question

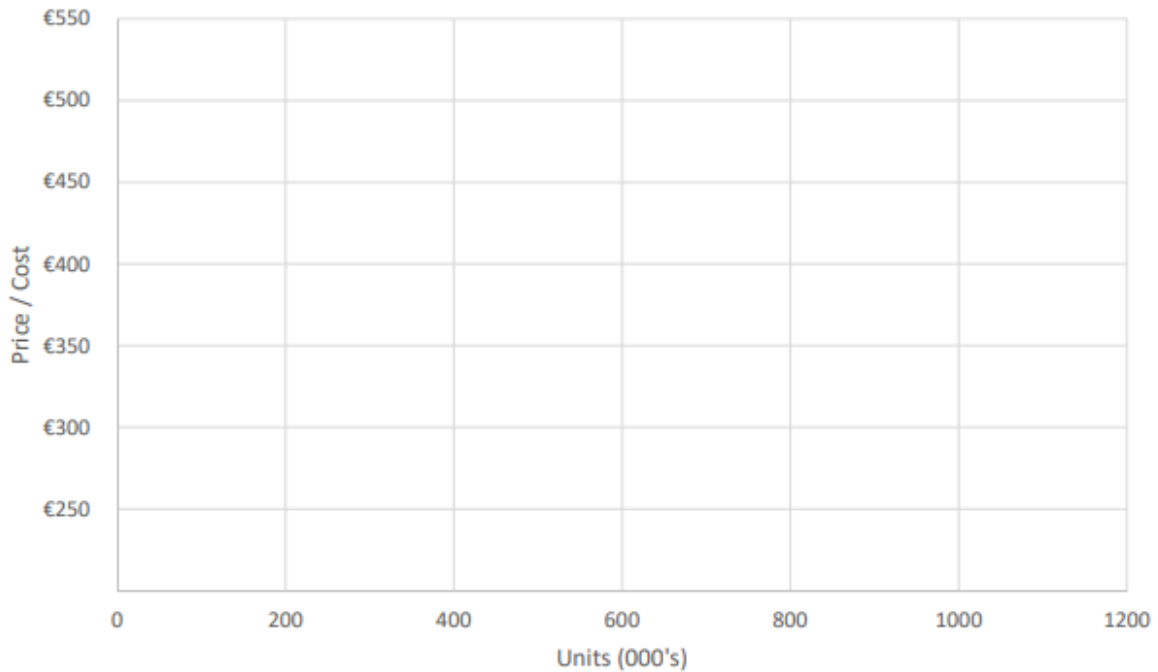
QUESTIONS**2022 - Question 16**

(c) Sam, a former Lohan Ltd employee secured a job as a buyer of electrical goods for resale for an electrical retailer. As a buyer of stock for resale, they need to project demand for various products to ensure that the store has the correct quantity to meet consumer demand.

- (i) Use the information in the table below to draw the demand and supply curves for the Play-station 5 (PS5).

Price	Quantity Demanded (000's units)	Quantity Supplied (000's units)
€300	1,000	200
€350	800	400
€400	600	600
€450	400	800
€500	200	1,00

Demand and Supply Curves Playstation 5 (PS5)



(ii) Use your diagram to identify the equilibrium price and equilibrium quantity. Write your answers in the table below.

Equilibrium Price of the PS5	
Equilibrium Quantity of the PS5	

(iii) The price of substitute goods and complementary goods are factors that affect the level of demand for a product. Indicate whether the following items are substitutes for or complimentary to a PS5 by placing a tick (✓) in the correct box.

	Substitute	Complimentary
Xbox		
PS5 Controller		
Headset		
Gaming chair		

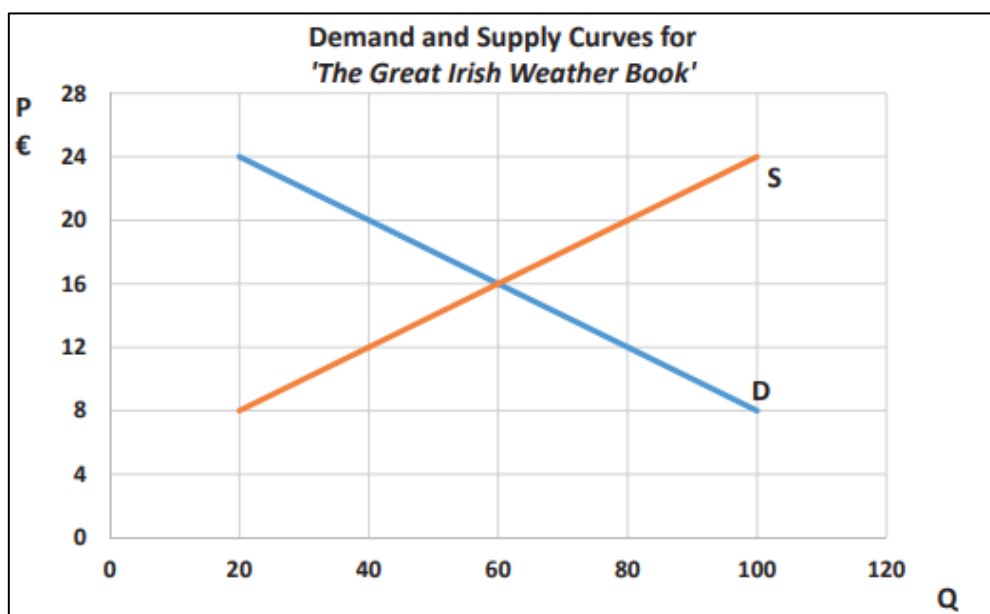
(iv) When demand for a product remains high despite limited supply, consumers often turn

to the black market, also known as the shadow economy. Indicate which of the following statements are true or false by placing a tick (✓) in the correct box.

Statement	True	False
Participation in the black market is illegal		
The black market is beneficial for businesses in Ireland		

2019 - Question 16

- (a) New Chapter is an award-winning traditional bookshop located in Tinahely, Co Wicklow. The demand and supply curves for one of its books 'The Great Irish Weather Book' are shown in the diagram below.



Use the diagram to answer each of the following questions.

Write your answer in the space provided.

(i) Indicate the quantity supplied of
'The Great Irish Weather Book' at €20.

(ii) Indicate the quantity demanded of
'The Great Irish Weather Book' at €8.

(iii) Indicate the equilibrium price of
'The Great Irish Weather Book'.

(iv) What impact would the following have on the demand for books in New Chapter? Place a tick (✓) in the correct box.

	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books	1,000	200
An increase in taxes (VAT)	800	400
Roll out of broadband to all areas in Wicklow	600	600
An Eason's store opening in the town	400	800

2019 - SEC - Question 18

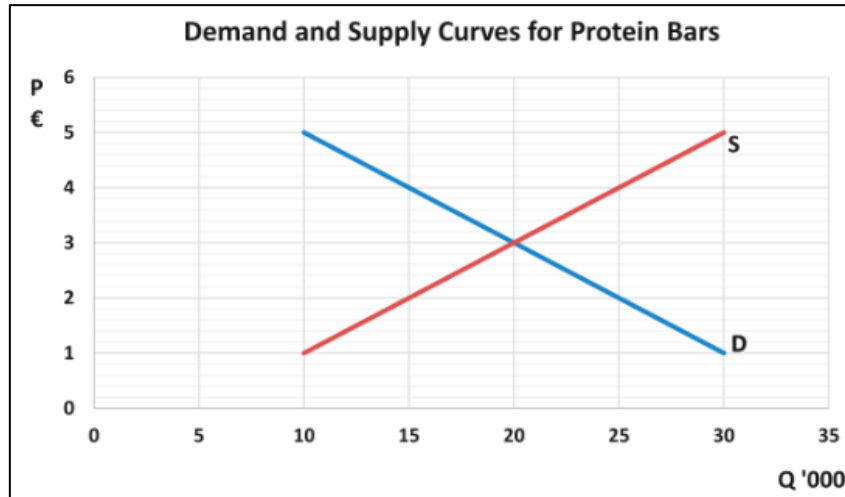
(b) The demand and supply curve for the Pure Confectionary Company's protein bar are shown in the diagram below

(i) On the diagram below show the equilibrium price and quantity of the protein bars. Write your answer in the spaces provided below.

Equilibrium price

€

Equilibrium Quantity



- (ii) Use the above diagram to identify the price at which the Pure Confectionary Company would be prepared to supply 25,000 protein bars.

Write your answer in the space provided below.

Price

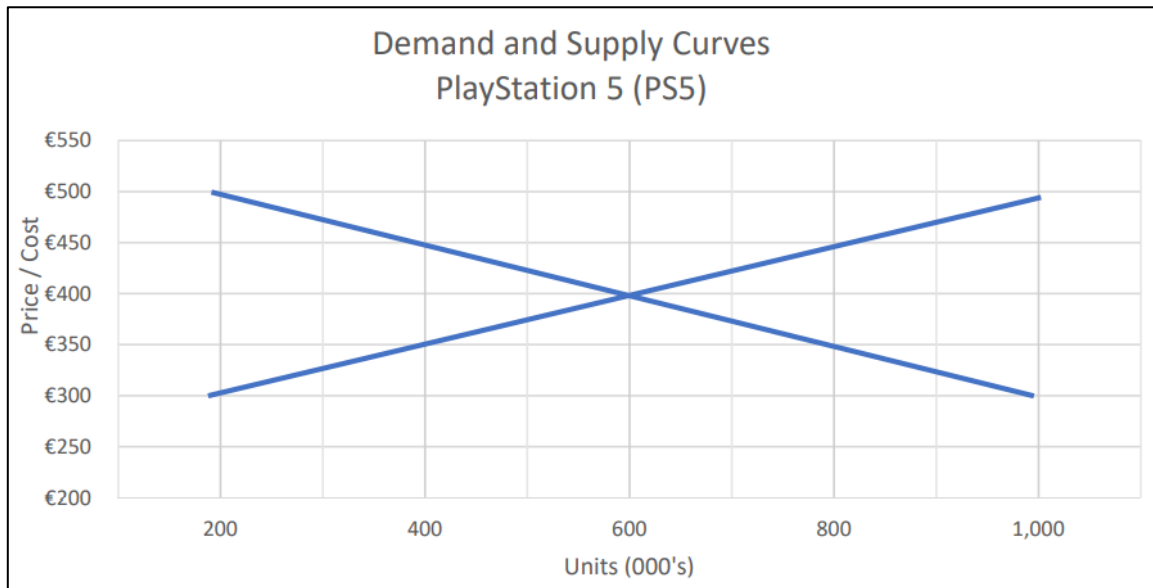
SUGGESTED SOLUTIONS**2022 - Question 16**

(c) Sam, a former Lohan Ltd employee secured a job as a buyer of electrical goods for resale for an electrical retailer. As a buyer of stock for resale, they need to project demand for various products to ensure that the store has the correct quantity to meet consumer demand.

- (ii) Use the information in the table below to draw the demand and supply curves for the Play-station 5 (PS5).

Price	Quantity Demanded (000's units)	Quantity Supplied (000's units)
€300	1,000	200
€350	800	400
€400	600	600
€450	400	800

€500	200	1,00
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(ii) Use your diagram to identify the equilibrium price and equilibrium quantity. Write your answers in the table below.

Equilibrium Price of the PS5	€400
Equilibrium Quantity of the PS5	600,000 Units

(iii) The price of substitute goods and complementary goods are factors that affect the level of demand for a product. Indicate whether the following items are substitutes for or complimentary to a PS5 by placing a tick (✓) in the correct box.

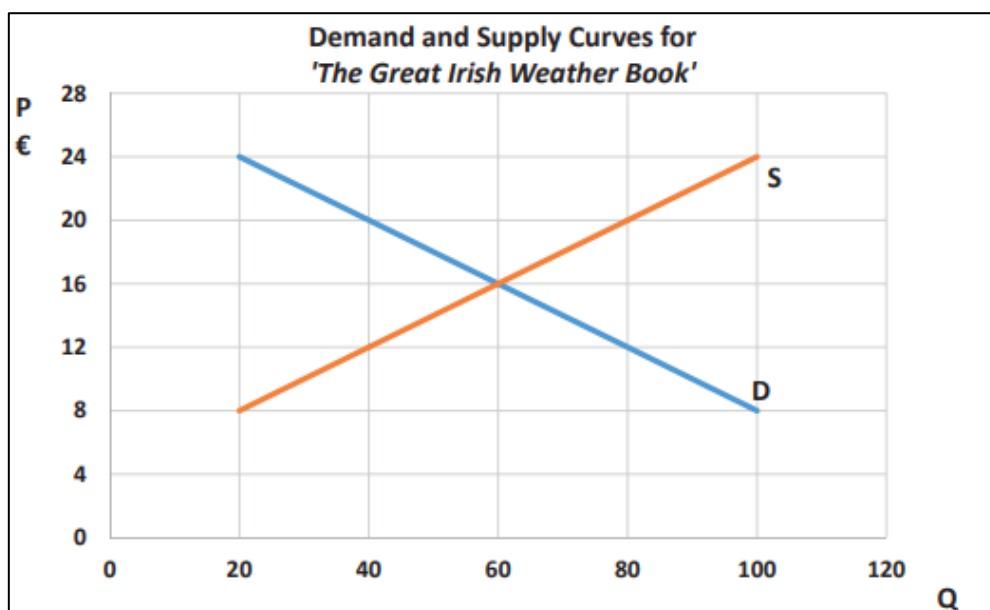
	Substitute	Complimentary
Xbox	✓	
PS5 Controller		✓
Headset		✓
Gaming chair		✓

- (iv) When demand for a product remains high despite limited supply, consumers often turn to the black market, also known as the shadow economy. Indicate which of the following statements are true or false by placing a tick (✓) in the correct box.

Statement	True	False
Participation in the black market is illegal	✓	
The black market is beneficial for businesses in Ireland		✓

2019 - Question 16

- (a) New Chapter is an award-winning traditional bookshop located in Tinahely, Co Wicklow. The demand and supply curves for one of its books 'The Great Irish Weather Book' are shown in the diagram below.



Use the diagram to answer each of the following questions.

Write your answer in the space provided.

- (i) Indicate the quantity supplied of
'The Great Irish Weather Book' at €20.

80

- (ii) Indicate the quantity demanded of
'The Great Irish Weather Book' at €8.

100

- (iii) Indicate the equilibrium price of
'The Great Irish Weather Book'.

€16

- (iv) What impact would the following have on the demand for books in New Chapter? Place a tick (✓) in the correct box.

	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books	✓	
An increase in taxes (VAT)		✓
Roll out of broadband to all areas in Wicklow		✓
An Eason's store opening in the town		✓

2019 - SEC - Question 18

- (b) The demand and supply curve for the Pure Confectionary Company's protein bar are shown in the diagram below

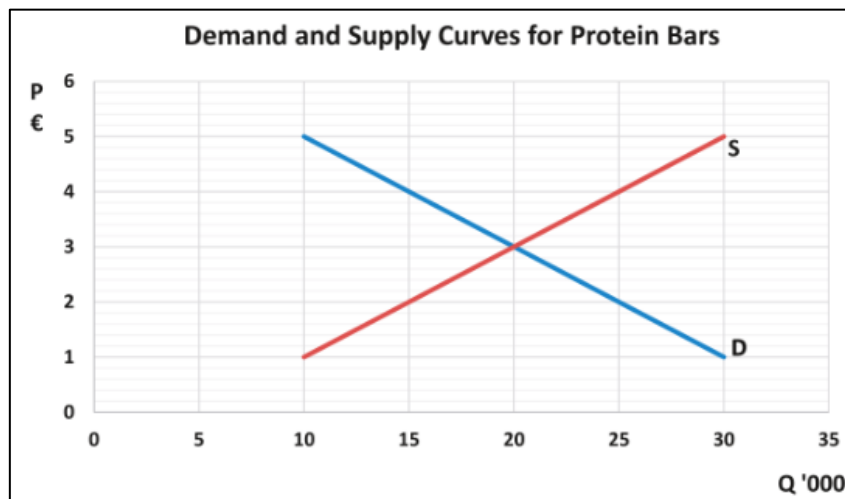
- (ii) On the diagram below show the equilibrium price and quantity of the protein bars. Write your answer in the spaces provided below.

Equilibrium price

€3

Equilibrium Quantity

20



- (ii) Use the above diagram to identify the price at which the Pure Confectionary Company would be prepared to supply 25,000 protein bars.

Write your answer in the space provided below.

Price

€4