



## Section 1: Guided Reading and Review

# Combining Supply and Demand

## CHAPTER 6

### A. As You Read

As you read Section 1, supply the requested information in the spaces provided.

#### In the Case of the Pizzerias

1. The market equilibrium price: \_\_\_\_\_
2. The market supply level: \_\_\_\_\_
3. The market demand level: \_\_\_\_\_

#### In Any Market Environment

4. How equilibrium is shown on a supply and demand graph: \_\_\_\_\_  
\_\_\_\_\_
5. Two possible outcomes of disequilibrium: \_\_\_\_\_  
\_\_\_\_\_
6. Supplier price response to excess demand: \_\_\_\_\_  
\_\_\_\_\_
7. Condition under which market forces will push market toward the equilibrium: \_\_\_\_\_  
\_\_\_\_\_

#### In the Case of Government Intervention

8. Purpose(s) of rent control: \_\_\_\_\_  
\_\_\_\_\_
9. Negative results of ending rent control: \_\_\_\_\_  
\_\_\_\_\_
10. Effect on labor when minimum wage exceeds equilibrium: \_\_\_\_\_
11. Purpose of Northeast Dairy Compact: \_\_\_\_\_  
\_\_\_\_\_

### B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank provided.

12. When government wants to ensure that “essential” goods or services are within the reach of all consumers, it may impose a(n) \_\_\_\_\_.
13. If prices rise too high, a market may face the problem of \_\_\_\_\_.
14. The one and only price at which quantities supplied equal quantities demanded indicates the market \_\_\_\_\_.
15. Minimum wage is an example of a government-imposed \_\_\_\_\_.
16. If car manufacturers produce more or fewer cars than customers will buy, the car market will be in \_\_\_\_\_.