**Remediation S/D Graphing**

**SSEMI2 The student will explain how the Law of Demand, the Law of Supply, prices, and profits work to determine production and distribution in a market economy.**

b. Describe the role of buyers and sellers in determining market clearing price.

c. Illustrate on a graph how supply and demand determine equilibrium price and quantity.

Watch the video on equilibrium from the St. Louis Fed <http://www.stlouisfed.org/education_resources/economic-lowdown-video-companion-series/episode-3-equilibrium/>

Answer these questions:

Buyers (consumers) will purchase things they want/need. This is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sellers (producers) will produce things they can sell and make a profit on. This is called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

On the graph below, use the chart to create the supply and demand curves.

|  |  |
| --- | --- |
| **Demand** | |
| **Price** | **Quantity** |
| $7 | 40 |
| $6 | 50 |
| $5 | 60 |
| $4 | 70 |
| $3 | 80 |
| $2 | 90 |
| $1 | 100 |

|  |  |
| --- | --- |
| **Supply** | |
| **Price** | **Quantity** |
| $7 | 100 |
| $6 | 90 |
| $5 | 80 |
| $4 | 70 |
| $3 | 60 |
| $2 | 50 |
| $1 | 40 |

Indicate the equilibrium point:

On the graph indicate with an “E”

What is the equilibrium price \_\_\_\_\_\_\_\_\_\_\_\_\_ and quantity \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_