



Economics: Supply & Demand

Name: _____

Date: _____

Grade: Grade 5

Part A: Multiple Choice

Circle the best answer for each question.

1. A farmer grows extra tomatoes this summer.

What will most likely happen to the price of tomatoes?

- A) The price will go up because tomatoes are popular
- B) The price will stay the same no matter what
- C) The price will go down because supply is high
- D) The price will go up because farming is expensive

2. A new video game is released and every kid in town wants it, but the store only has ten copies.

What is this an example of?

- A) Surplus
- B) Shortage
- C) Equilibrium
- D) Competition

3. Why does competition between businesses usually help consumers?

- A) It forces all businesses to close
- B) It makes all products exactly the same
- C) It usually leads to lower prices and better products
- D) It removes all choices from the market

4. A lemonade stand sells cups for one dollar and sells out every day. What should the owner consider doing?

- A) Close the stand because it is too popular
- B) Keep the same price and make fewer cups
- C) Raise the price since demand is high
- D) Give away the lemonade for free

Part B: Fill in the Blank

Write the correct answer on each line.

1. When supply goes up and demand stays the same, prices usually _____.
2. A market has reached _____ when supply and demand are balanced.
3. High demand and low supply create a _____ in the market.
4. Businesses compete for _____ by offering better products or lower prices.
5. When supply is greater than demand, the result is called a _____.

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Part B: Fill in the Blank

Write the correct answer on each line.

1. When supply goes up and demand stays the same, prices usually fall .
2. A market has reached equilibrium when supply and demand are balanced.
3. High demand and low supply create a shortage in the market.
4. Businesses compete for customers by offering better products or lower prices.
5. When supply is greater than demand, the result is called a surplus .