

Name: _____

Supply and Demand - Content Check

Read each question. Then, write your answers in complete sentences.

1. Describe the difference between supply and demand.

2. Why is it important for business owners to know what items they have in their inventory?

3. What could an entrepreneur do if they have more supply for a product than demand? For example, what could an entrepreneur do if they only have 10 drones but 35 people want to buy a drone.

Supply and Demand - Content Check

PLEASE NOTE THAT SOME ANSWERS MAY VARY AMONG STUDENTS.

1. Describe the difference between supply and demand.

- Supply is how much of a product a business has.
- Demand is how much of a product people want that product.

2. Why is it important for business owners to know what items they have in their inventory?

- Business owners need to know what items they have in their inventory so they can order more items if their demand is high. Or, a business owner may many not purchase more items if they have a lot of that product in inventory and have low demand.

3. What could an entrepreneur do if they have more supply for a product than demand? For example, what could an entrepreneur do if they only have 10 drones but 35 people want to buy a drone.

- An entrepreneur could buy more drones so that their supply matches their demand.
- An entrepreneur could raise the price of their drone so that they can make more money on fewer drones.