

Name _____

Unlocking the Secrets of Demand: What Influences Our Choices

Multiple Choice Questions

1. What is demand in economics?
 - a) The quantity of a product available in the market
 - b) The desire and ability to purchase a product or service at various prices
 - c) The price at which a product is sold
 - d) The number of advertisements for a product

2. How does an increase in consumer income typically affect demand?
 - a) It decreases demand for most goods and services.
 - b) It has no effect on demand.
 - c) It increases demand for most goods and services.
 - d) It only affects the demand for luxury items.

3. What is a substitute good?
 - a) A product that is often used together with another product
 - b) A product that complements another product
 - c) A product that can be used in place of another product
 - d) A product with no relationship to other products

4. Which factor directly affects demand for a product or service?
 - a) Consumer preferences
 - b) Consumer income
 - c) Government regulations
 - d) The price of the product or service

5. How can advertising and marketing influence demand?
 - a) They have no impact on consumer choices.
 - b) They can create awareness and desire for a product, increasing demand.
 - c) They reduce consumer preferences, leading to lower demand.
 - d) They only affect the price of a product.

