

Name \_\_\_\_\_

## The Price Puzzle: How Supply and Demand Make Things Cost More or Less

### Short Answer

1. Explain the role of supply and demand in determining prices.
2. Provide an example of a situation where a surplus of a product led to a decrease in its price.
3. How can changes in consumer preferences impact the demand for a specific product?
4. Describe a scenario in which price elasticity played a significant role in consumer behavior.
5. Why is it important for businesses to understand the concept of supply and demand when setting prices for their products or services?

