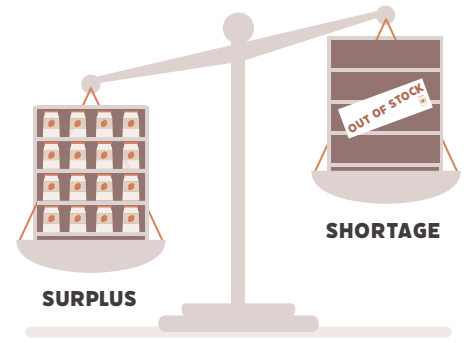


# SHORTAGE AND SURPLUS

Businesses want to sell goods and services for as much money as they can. But it's hard to figure out what price is right! **Read the descriptions below to learn what might happen at different price levels.**



- There is a **surplus** if there is *too much* of a good or service for sale at a given price. When the price is too high, customers will not want to buy much of the good or service. The amount demanded will be *less than* the amount supplied.
- There is a **shortage** if there is *not enough* of a good or service for sale at a given price. When the price is too low, too many customers will want to buy the good or service. The amount demanded will be *more than* the amount supplied.
- A good or service is at the **equilibrium price** if there is a “*just right*” amount for sale at a given price. At the equilibrium price, the amount supplied is *equal* to the amount demanded.

## PART 1. Use the descriptions above to fill in the blanks.

1. A surplus means that the price of a good is too \_\_\_\_\_ and that supply is \_\_\_\_\_ than demand.
2. A shortage means that the price of a good is too \_\_\_\_\_ and that supply is \_\_\_\_\_ than demand.
3. Equilibrium price means that the price is \_\_\_\_\_ and that supply and demand are \_\_\_\_\_.

## PART 2. Complete the chart. Is there a surplus or shortage of the good, or is it at the equilibrium price?

	SURPLUS	SHORTAGE	EQUILIBRIUM
4. Jack has a lemonade stand with 50 glasses worth of lemonade for sale. Each glass costs \$50. Unsurprisingly, no one wants to buy any.			
5. A corner store has 100 tacos for sale at \$2 a taco. At that price, 100 customers want to buy a taco.			
6. A store has 100 copies of a new video game for sale. The game costs \$50. At that price, there are 150 people who want to buy a copy of the game.			
7. A young artist printed up 100 posters with a cool design. Posters cost \$15 each. At that price, there are 80 people who want to buy one.			
8. The grocery store has cookies on sale for \$2 per box. There are 20 boxes available. At that price, 35 people want to buy a box.			
9. A jar of peanut butter costs \$6. The grocery store has 100 jars on the shelf. At that price, 74 people want to buy a jar of peanut butter.			