Economics
Microeconomics: Demand, Supply, and Market Forces
Standards

**SSEMI2** The student will explain how the Law of Demand, the Law of Supply, prices and profits work to determine production and distribution in a market economy.

b. Describe the role of buyers and sellers in determining market clearing price.
c. Illustrate on a graph how supply and demand determine equilibrium price and quantity.
d. Explain how prices serve as incentives in a market economy.

**SSEMI3** The student will explain how markets, prices and competition influence economic behavior.

a. Identify and illustrate on a graph, factors that cause changes in market supply and demand.
b. Explain and illustrate on a graph how price floors create surpluses and price ceilings create shortages.
c. Define price elasticity of demand and supply.