

Learning Outcome 3.3

3.3 Evaluate how changes in the supply and demand of goods and services in different markets can affect prices

Summary of Qs asked 2019-2025 on Learning Outcome 3.3

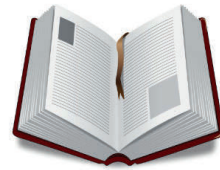
2019 (i-iii)	Indicate the supply/demand or equilibrium price/quantity from a graph	Reading Market Equilibrium graph	9m
2019 (iv)	How a factor increases/decreases demand	Demand / Supply factors	12m
2022 (i)	Draw a demand and supply curve	Drawing Market Equilibrium graph	12m
2022 (ii)	Indicate the equilibrium price/quantity from a graph	Reading Market Equilibrium graph	5m
2022 (iii)	Identify a substitute or complement for a good or service	Substitutes / Complements	8m
2023 (i)	Indicate the supply, demand, equilibrium price/quantity from a graph	Reading Market Equilibrium graph	9m
2023 (ii)	Explanation of a substitute good, with example	Substitutes / Complements	4m
2023 (iii)	Impact of change in demand / supply on the market price	Price changes from D/S change	5m
2023 (iv)	How a factor increases/decreases supply	Demand / Supply factors	9m
2024 (i)	Draw a demand and supply curve, title, label axes	Drawing Market Equilibrium graph	15m
2024 (ii)	Indicate the equilibrium price/quantity from a graph	Reading Market Equilibrium graph	6m
2025 S.Q.	How a factor increases/decreases demand (Explain two factors)	Demand / Supply factors	6m

Key skills required so far answering the JC Exam:

1. Know/identify substitutes vs complimentary goods, with examples
2. Understand/explain factors that increase/decrease demand/supply
3. Identify prices and quantities from a demand and supply curve graph
4. Draw/label a demand and supply curve graph
5. Explain how increases/decreases in demand or supply impact on market prices

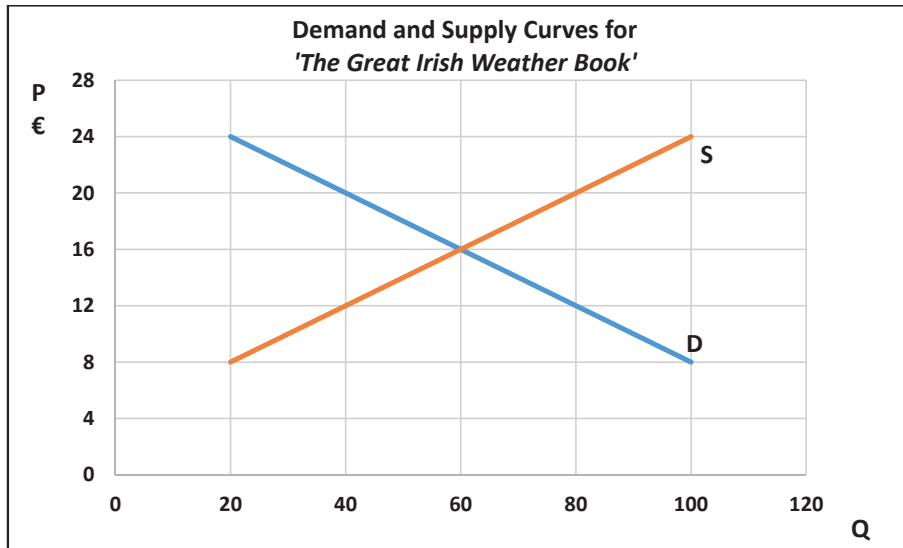


2019 Paper



Question 16

- (a) New Chapter is an award winning traditional bookshop located in Tinahely, Co Wicklow. The demand and supply curves for one of its books 'The Great Irish Weather Book' are shown in the diagram below.



Use the above diagram to answer **each** of the following questions.

Write your answers in the spaces provided.

- (i) Indicate the quantity supplied of 'The Great Irish Weather Book' at €20.

- (ii) Indicate the quantity demanded of 'The Great Irish Weather Book' at €8.

- (iii) Indicate the equilibrium price of 'The Great Irish Weather Book'.



Question 16



(a) New Chapter is an award winning traditional bookshop located in Tinahely, Co Wicklow. The demand and supply curves for one of its books '*The Great Irish Weather Book*' are shown in the diagram below.

(iv) What impact would the following have on the demand for books in New Chapter? Place a tick (✓) in the correct box.

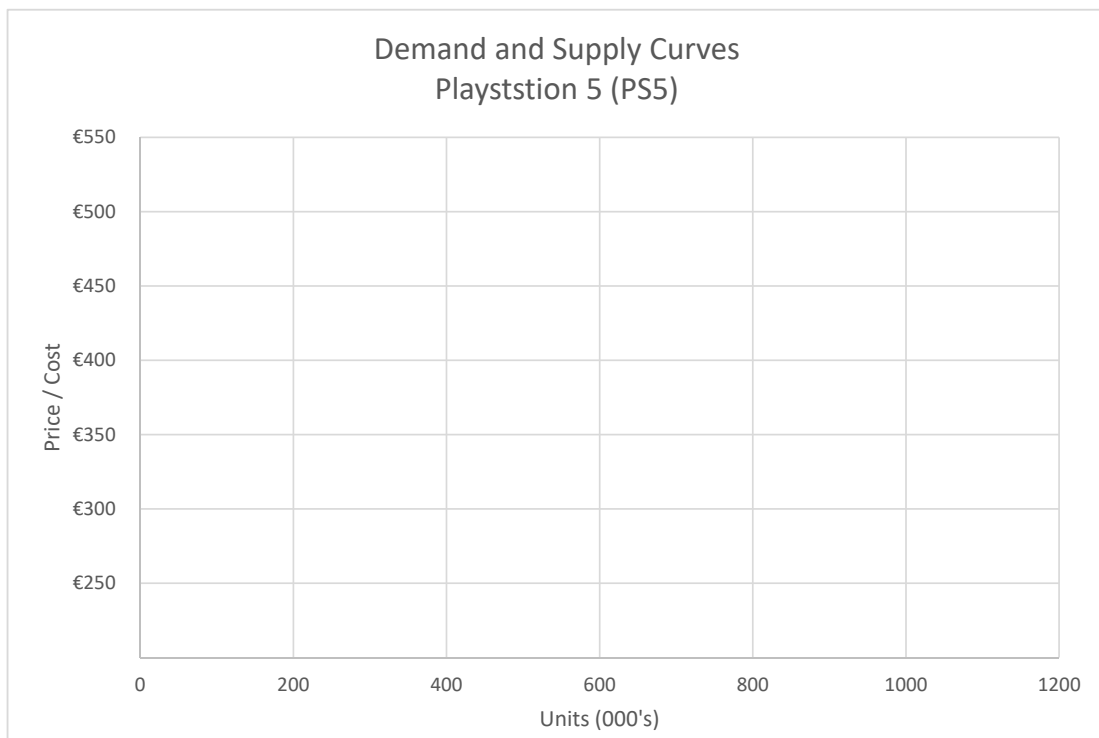
	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books		
An increase in taxes (VAT)		
Roll out of broadband to all areas in Wicklow		
An Eason's store opening in the town		



2022 Paper

- (c) Sam, a former Lohan Ltd employee secured a job as a buyer of electrical goods for resale for an electrical retailer. As a buyer of stock for resale, they need to project demand for various products to ensure that the store has the correct quantity to meet consumer demand.
- (i) Use the information in the table below to draw the demand and supply curves for the Playstation 5 (PS5).

Price	Quantity Demanded (000's units)	Quantity Supplied (000's units)
€300	1,000	200
€350	800	400
€400	600	600
€450	400	800
€500	200	1,000



- (ii) Use your diagram to identify the equilibrium price and equilibrium quantity.
Write your answers in the table below.

Equilibrium Price of the PS5	
Equilibrium Quantity of the PS5	



- (iii) The price of substitute goods and complementary goods are factors that affect the level of demand for a product.

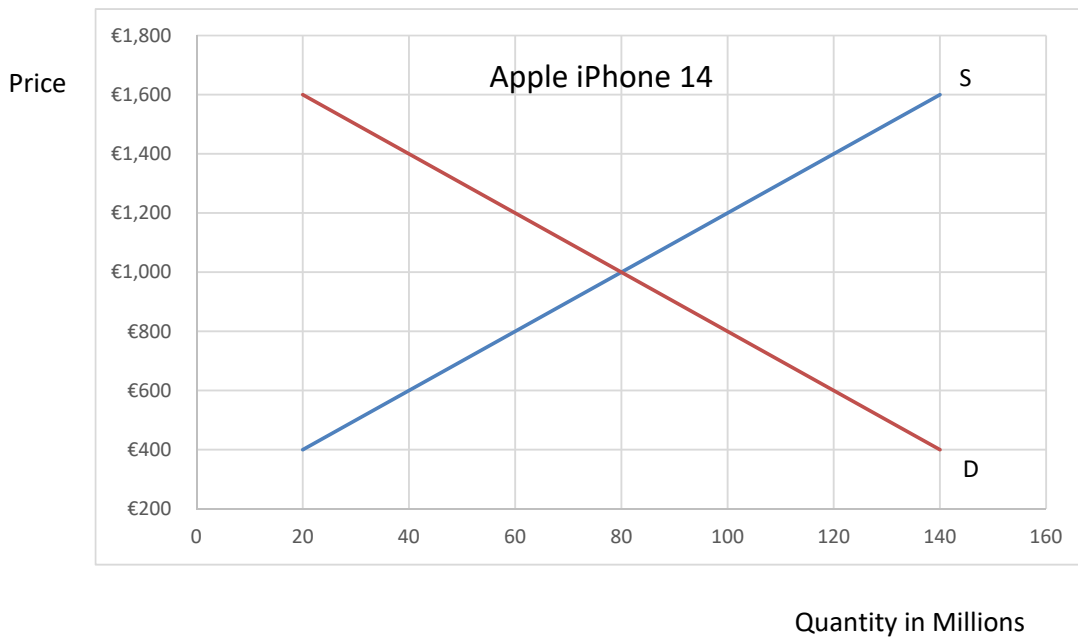
Indicate whether the following items are substitutes for or complimentary to a PS5 by placing a tick (✓) in the correct box.

	Substitute	Complimentary
Xbox		
PS5 Controller		
Headset		
Gaming chair		



2023 Paper

(b) Apple iPhone 14



(i) Use the above diagram to answer each of the following questions. Write your answers in the spaces provided.

Indicate the equilibrium quantity demanded of the 'Apple iPhone 14'.	Units
Indicate the equilibrium price of the 'Apple iPhone 14'.	€
Indicate the quantity demanded of the 'Apple iPhone 14' at €1,600.	Units

(ii) Explain the term substitute good and give an example of a substitute good for the 'Apple iPhone 14'.

Explanation:
Example:



- (iii) If there was a reduction in supply of Apple iPhones, what impact would this have on the price of Apple iPhones? Give a reason for your answer.

Impact:
Reason:

- (iv) What impact would the following have on the supply of the Apple iPhone 14? Place a tick (✓) in the correct box.

	Increased supply of Apple iPhone 14	Decreased supply of Apple iPhone 14
Decrease in the cost of producing an Apple iPhone 14		
Industrial action by Apple employees		
A storm blew the roof off a factory producing the Apple iPhone 14		



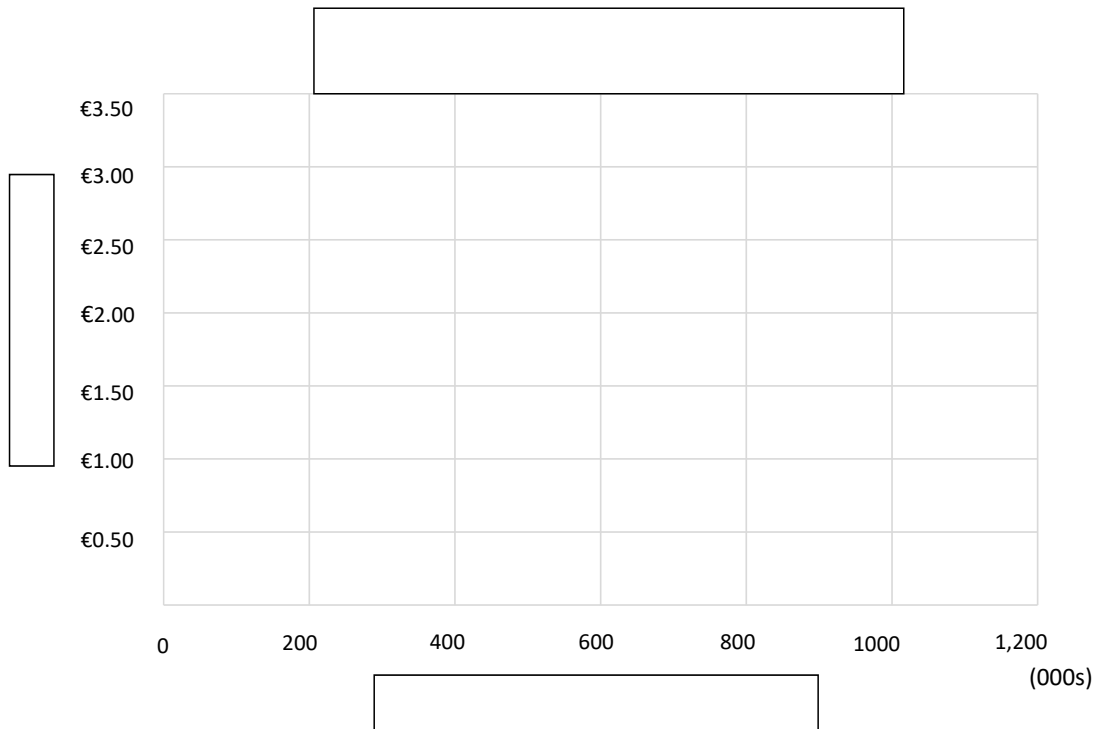
2024 Paper

- (c) A competitor has entered the breakfast market selling Corn Crispies, a fluffy and light morning cereal.

The predicted supply and demand from market research is listed below:

Price	Quantity Demanded (000s)	Quantity Supplied (000s)
€1.00	1,000	200
€1.50	800	400
€2.00	600	600
€2.50	400	800
€3.00	200	1,000

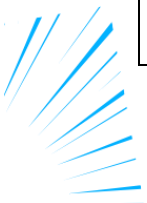
- (i) Using the information above, draw and label the demand and supply curves for Corn Crispies, include a title for your graph and label each axis.



- (ii) Using your diagram, or otherwise, identify the equilibrium price and equilibrium quantity.

Write your answers in the table below.

Equilibrium Price:	€
Equilibrium Quantity:	units



2025 Paper

Question 12

“Taylor Swift announces Dublin concerts”

The Irish Times June 20th 2023



Explain **two** factors which affect the demand for Taylor Swift concert tickets.

1.	
2.	



2019 Paper - Solution

- (i) Indicate the quantity supplied of 'The Great Irish Weather Book' at €20. 80 [3m]
- (ii) Indicate the quantity demanded of 'The Great Irish Weather Book' at €8. 100 [3m]
- (iii) Indicate the equilibrium price of 'The Great Irish Weather Book'. €16 [3m]

Make sure to include the "€" sign or -1m

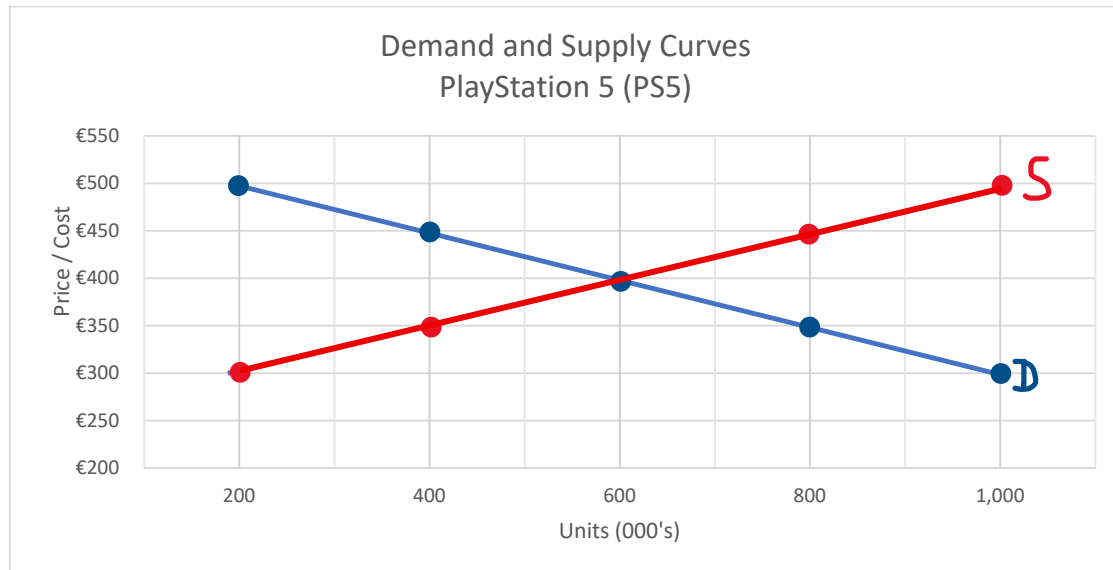
- (iv) Impact of the following have on the demand for books in New Chapter?
Place a tick (✓) in the correct box.

	Increased demand for books in New Chapter	Decreased demand for books in New Chapter
A reduction in the price of books	✓ 3m	
An increase in taxes (VAT)		✓ 3m
Roll out of broadband to all areas in Wicklow		✓ 3m
An Eason's store opening in the town		✓ 3m



2022 Paper - Solution

(12m)



12m (5x1m for each point, 1m for each label for each curve)

(ii) Use your diagram to identify the equilibrium price and equilibrium quantity.

Write your answers in the table below. (5m)

Equilibrium Price of the PS5	€400
Equilibrium Quantity of the PS5	600,000 units

5m (-1 mark for leaving out the “€” sign or the word “units”)

(iii) The price of substitute goods and complementary goods are factors that affect the level of demand for a product.

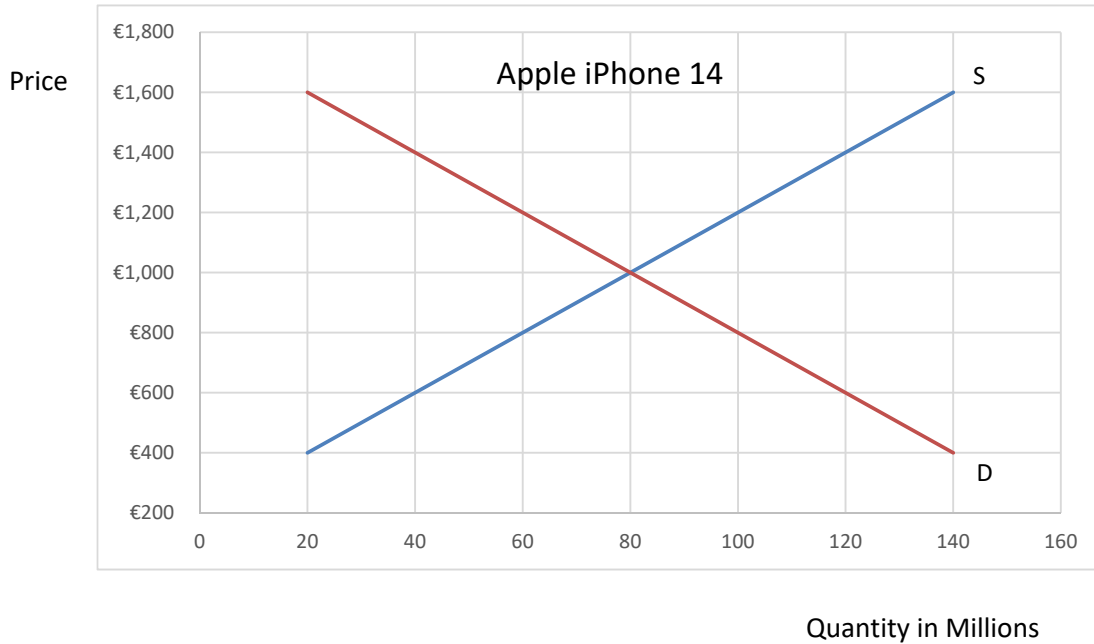
Indicate whether the following items are substitutes for or complimentary to a PS5 by placing a tick (✓) in the correct box. (8m)

Good	Substitute	Complimentary
Xbox	✓	
PS5 Controller		✓
Headset		✓
Gaming chair		✓



2023 Paper - Solution

(b) Apple iPhone 14



(i) Use the above diagram to answer each of the following questions. Write your answers in the spaces provided. (9m)

Indicate the equilibrium quantity demanded of the 'Apple iPhone 14'.	80 m	Units
Indicate the equilibrium price of the 'Apple iPhone 14'.	€ 1,000	
Indicate the quantity demanded of the 'Apple iPhone 14' at €1,600.	20 m	Units

Need "m" or "million" for 1 mark for Q on Units

(ii) Explain the term substitute good and give an example of a substitute good for the 'Apple iPhone 14'.

Explanation: (3m)
A Substitute good is an alternative/similar/replacement good that could be used for the same purpose.
Example: (1m)
Samsung Galaxy, Google Pixel 7, Google Pixel 6a, Android, iPhone 13, iPad, laptop

Use "alternative" or "replacement" for a substitute good



- (iii) If there was a reduction in supply of Apple iPhones, what impact would this have on the price of Apple iPhones? Give a reason for your answer. **(5m)**

Impact: Prices would increase.

Reason: Due to the reduction in supply, prices will increase due to scarcity/rarity/less goods available.

Write “increase” rather than drawing arrows for impact.
Must write a sentence for the reason, no one word answers.

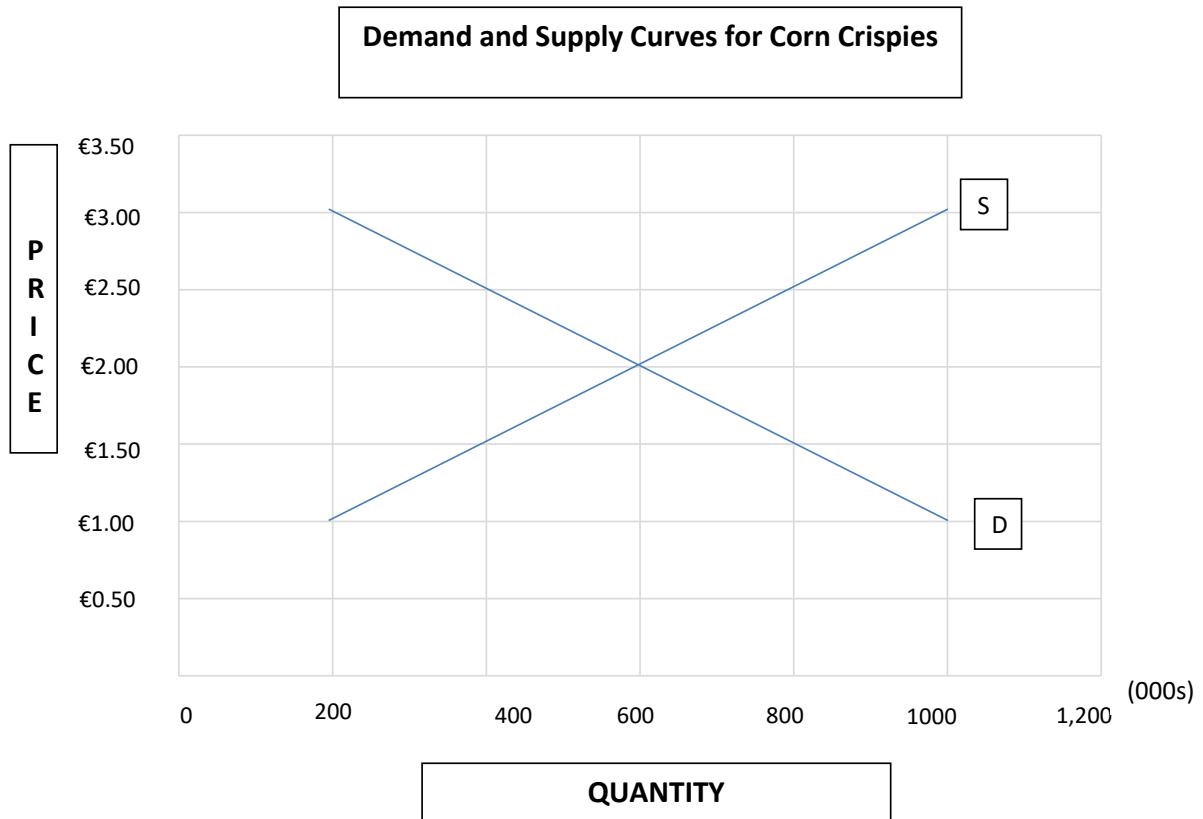
- (iv) What impact would the following have on the supply of the Apple iPhone 14? Place a tick (✓) in the correct box. **(9m)**

	Increased supply of Apple iPhone 14	Decreased supply of Apple iPhone 14
Decrease in the cost of producing an Apple iPhone 14	✓	
Industrial action by Apple employees		✓
A storm blew the roof off a factory producing the Apple iPhone 14		✓



2024 Paper - Solution

- (i) Using the information above, draw and label the demand and supply curves for Corn Crispies, include a title for your graph and label each axis. **(15m)**



- (ii) Using your diagram, or otherwise, identify the equilibrium price and equilibrium quantity.

Write your answers in the table below.

(6m)

Equilibrium Price:	€ 2 O.F
Equilibrium Quantity:	600,000 O.F units

Watch for "€" sign and units are given in "000's" so answer should be 600,000 units not 600

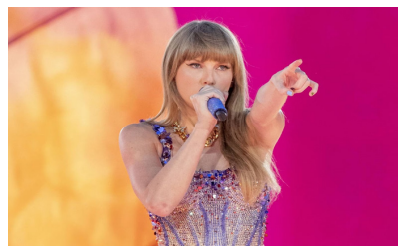


2025 Paper - Solution

Question 12

“Taylor Swift announces Dublin concerts”

The Irish Times June 20th 2023



Explain **two** factors which affect the demand for Taylor Swift concert tickets.

Price of the good – The higher the price of a product, the lower the demand. People will not buy the tickets if they become too expensive so demand will fall.

Consumer income – If income in the household is high/increasing, demand for a product will increase. People will demand the tickets if they can afford to buy them.

Advertising – Will let consumers know the products are available. Concert tickets being advertised heavily will increase consumer demand as more people will know they are available.

Price of complementary goods – As the price of complementary goods increases, demand for the product will fall. If transport/accommodation become too expensive demand for tickets will also fall as people will not be able to attend the concert.

Price of substitute goods – If the price of a substitute good (other concert/entertainment) decreases people will switch to this alternative. If the price of tickets for a similar concert/entertainment fall, people will not demand the Taylor Swift concert tickets and will attend the cheaper other concert/entertainment instead.

Consumer tastes/preferences – If the product is popular among consumers, demand for the product will increase. Demand for Taylor Swift concert tickets will be high as she is popular among her fan base.

Consumer expectations – If consumers expect prices to rise in the future, demand for the product will be high. If people wish to buy concert tickets and they expect the price to rise in the future, they will buy the tickets at their current price.

Explain why each factor affects demand.
No one word answers.

Higher consumer expectations: If fans hear on social media that the new concert is amazing on her tour so far it will increase demand for tickets.

