

# JC BUSINESS

HUB

---

# STUDENT WORKBOOK



**Markets And The Black Market**

**Q1** Choose the correct word from the options below to complete the sentences.

**SUPPLY      BUYERS      PRICES      SELLERS      DEMAND      MARKET**

1. \_\_\_\_\_ create \_\_\_\_\_ in a market because they want to buy goods or services
2. \_\_\_\_\_ create \_\_\_\_\_ in a market because they want to produce or sell goods or services to make money.
3. The level of demand and supply will influence \_\_\_\_\_ in a \_\_\_\_\_.

**Q2** Place a ✓ in the correct box (true or false) for each statement about the black market.

Statement	TRUE	FALSE
Participation in the black market is illegal		
Consumers have the same legal rights when purchasing goods or services in the black market		
The government loses out on tax from transactions in the black market		
The black market is beneficial for businesses in Ireland		
Goods purchased in the black market are likely to be as safe as those purchased in businesses		

**Q3 (i)** Explain what the black market is


**Q3 (ii)** Give an example of a transaction that might take place in the black market

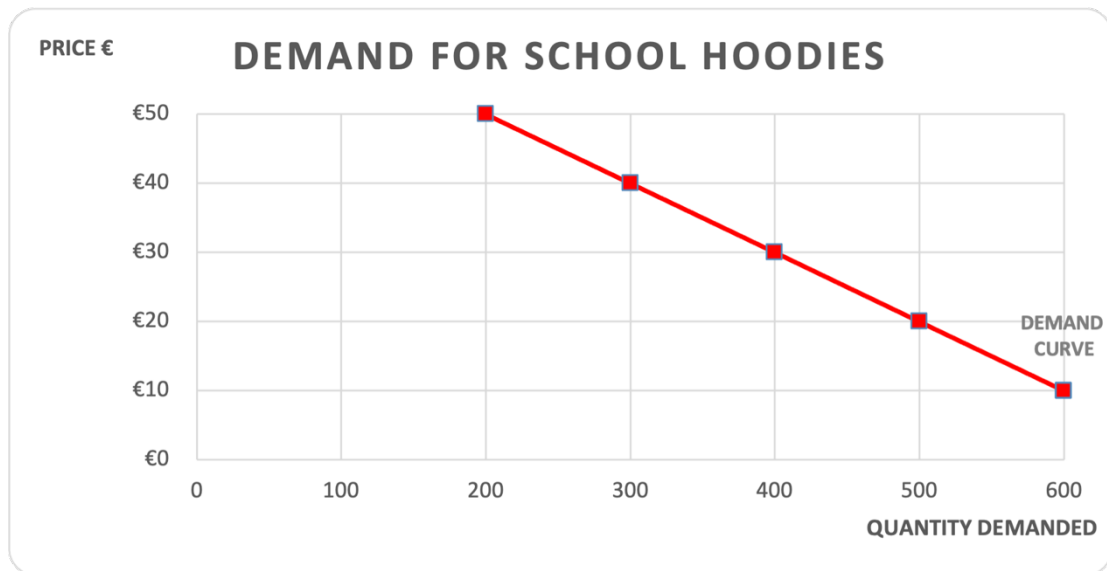

**Q3 (iii)** Outline one negative for Irish consumers that buy a good or service in the black market.




**Demand and Understanding demand from a diagram**

Q4 State what the law of demand is


Q5 Study the graph below and then answer the questions that follow



(i) Identify the quantity demanded for hoodies when the price is €40

--

(ii) Identify the quantity demanded for hoodies when the price is €20

--

(iii) Identify the price for hoodies when the quantity demanded is 200 hoodies

--

(iv) How much does the quantity demanded fall by if the price for hoodies increased from €30 to €40? Show your workings

--

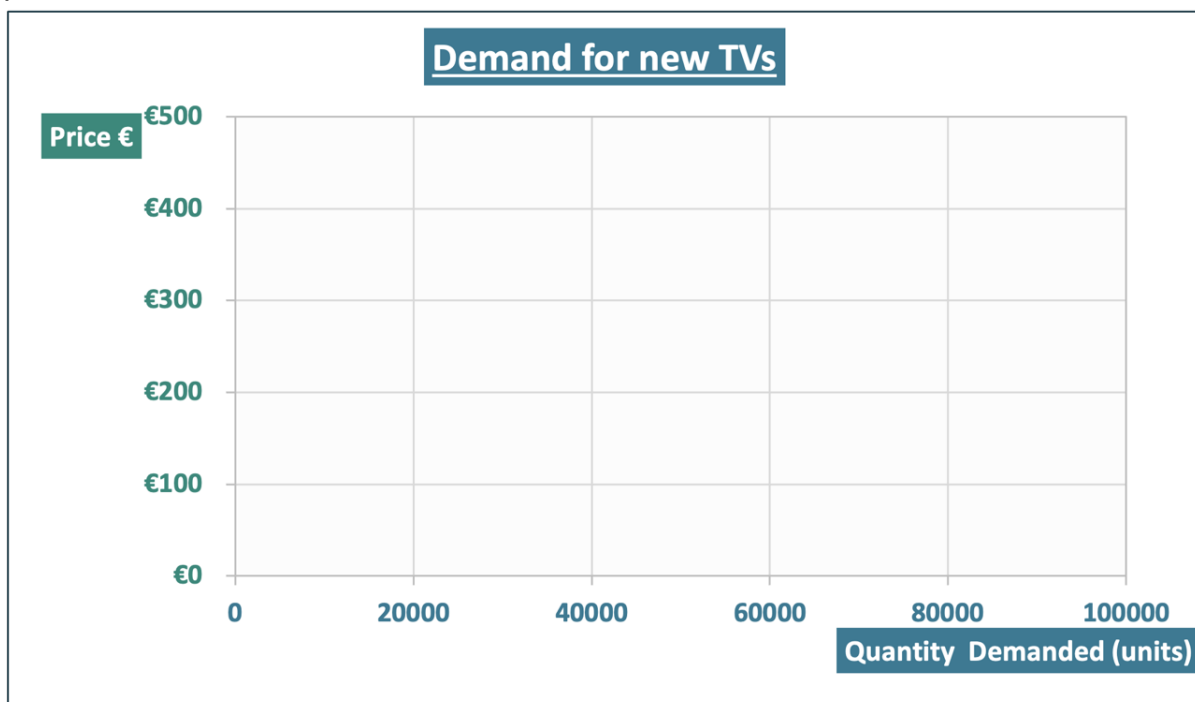


## Plotting demand curves on a diagram

Price (€)	Quantity Demanded (units)
€100	100,000
€200	80,000
€300	60,000
€400	40,000
€500	20,000

**Q6** Using the data from the table above, plot the demand curve on the graph below for new TVs

*Make sure to plot each data point clearly (you should have 5 points), then connect all of the points with one line, and then label the demand curve "D"*



(i) From either the table or graph, identify the quantity demanded for TVs when the price is €400.

(ii) By how much does the quantity demanded for TVs increase if the price was to drop from €500 to €300? Show your workings

(iii) On your graph, identify the price and quantity demanded for new TVs when the price is €100 by drawing a dotted line from the price to the demand curve, and then down to the quantity demanded.



## Substitute Goods and Complementary Goods

Q7 Indicate whether the following items are substitutes for or complementary to a **cup of coffee** with a ✓ in the correct box

	Substitute	Complementary
A cup of tea		
Milk & sugar		
A pastry		
An energy drink e.g. Monster		

Q8 (i) Indicate whether the following items are likely to be substitutes for or complementary to a **chicken fillet roll bought in a local deli**.

	Substitute	Complementary
A breakfast roll		
A bottle of water		
A sausage roll		
Crisps		

Q8 (ii) Pick one item from part (i) and explain the reason why it is a substitute or complement to a chicken fillet roll (*Note: you should explain what a substitute or complementary good is to explain it properly*)

Item:
Reason:

Q9 Indicate whether the following pairs of items are substitutes for or complementary for each other with a ✓ in the correct box

	Substitutes	Complementary
Spotify and Apple Music		
A smartphone and mobile data		
PlayStation and Xbox		
Football boots and shin guards		



**Q10** Indicate whether the following pairs of items are substitutes for or complementary for each other with a ✓ in the correct box

	Substitutes	Complements
Netflix and Disney+		
An Android phone and Android Apps		
A Tesla and a Volvo		
A printer and ink cartridges		

**Q11** Explain the term 'substitute good' and give an example of a substitute good for milk. Give a reason for your choice of substitute.

<b>Explain:</b>
<b>Example:</b>
<b>Reason:</b>

**Q12** Explain the term 'complementary good' and give an example of a complementary good for milk. Give a reason for your choice of complement.

<b>Explain:</b>
<b>Example:</b>
<b>Reason:</b>



**Factors that increase or decrease demand**

**Q13** Show the impact of the following on the demand for PlayStation 5 consoles. Place a ✓ in the correct box

	Increased demand for PlayStation 5	Decreased demand for PlayStation 5
The price of PS5 games falls		
A recession causes income levels to fall		
Lots of online endorsers promote PS5 consoles on their YouTube and Twitch channels		
A new Nintendo console launches		

**Q14** Place a ✓ in the correct box (true or false) for each statements about demand.

	TRUE	FALSE
When prices fall, demand usually falls		
An increase in income levels will increase demand for most goods		
Demand will fall for iPhone covers when the price of iPhones goes up		
Demand will fall for Nike runners when the price of Adidas runners goes up		
A demand curve normally slopes downward from left to right		



**EXAM CORNER**

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

**Answer 1:** Availability – the tickets will be scarce for the concerts for her.

**Answer 2:** It would depend on the price of a substitute good for her concerts.

**Answer 3:** Price of complementary good – If prices for hotel rooms on the dates of the concerts increased the demand for concert tickets would fall as its more expensive to travel and stay for the concerts.

0/3

**SCARCITY WOULD EFFECT THE PRICE, NOT THE DEMAND**

1-2/3

**NO EXPLANATION GIVEN**

3/3

**FACTOR + EXPLANATION GIVEN**



Q15 Explain **two** factors that might **increase** the demand for a local takeaway pizza restaurant

Factor:
Explanation:
Factor:
Explanation:

Q16 Explain **two** factors that might **decrease** the demand for a computer game

Factor:
Explanation:
Factor:
Explanation:

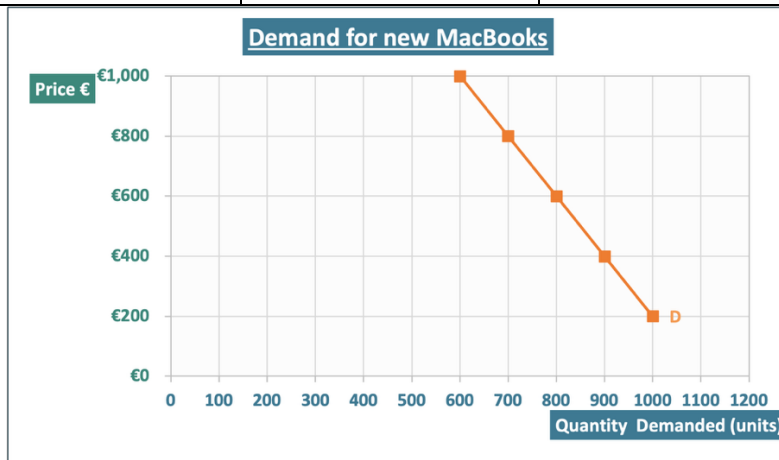
**Top Tip:** Make sure to focus on how the factor you choose impacts the **demand** for a good or service, not how it might impact on the market price or supply.



**Shifts in demand**

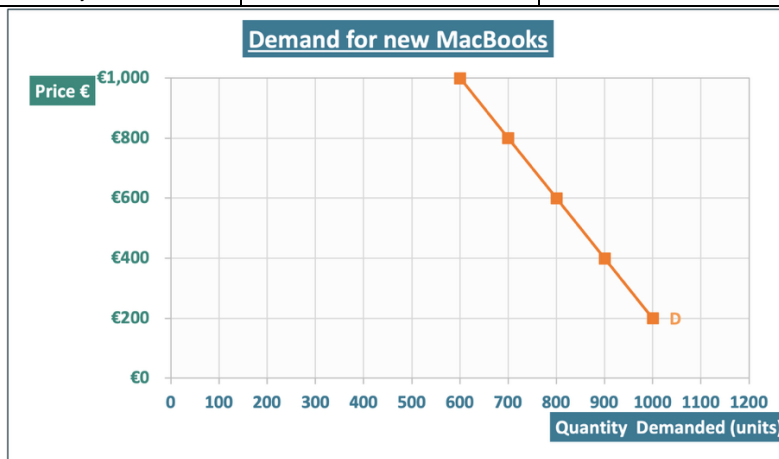
**Q17** Great online reviews have increased the demand for the new MacBook. The original demand curve is shown on the graph. Draw the new demand curve using the data below.

Demand for new MacBooks		
Price (€)	Quantity Demanded (units) 000s	NEW Quantity Demanded (units) 000s
€200	1000	1200
€400	900	1100
€600	800	1000
€800	700	900
€1,000	600	800



**Q18** Dell have announced a large price drop for their latest laptop, offering customers a cheaper substitute for their MacBook. Draw the new demand curve using the data below.

Demand for new MacBooks		
Price (€)	Quantity Demanded (units) 000s	NEW Quantity Demanded (units) 000s
€200	1000	800
€400	900	700
€600	800	600
€800	700	500
€1,000	600	400

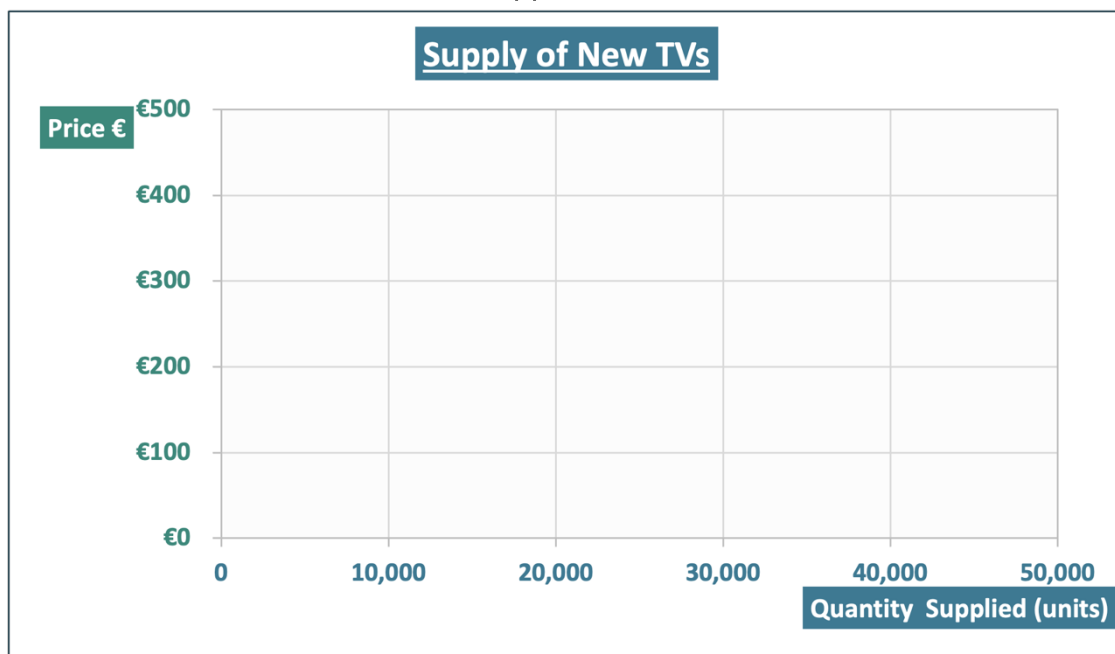


## Plotting supply curves on a diagram

Price (€)	Quantity Supplied (units)
€100	10,000
€200	20,000
€300	30,000
€400	40,000
€500	50,000

**Q19** Using the data from the table above, plot the supply curve on the graph below for new TVs

Make sure to plot each data point clearly (you should have 5 points), then connect all of the points with one line, and then label the supply curve "S"



(i) From either the table or graph, identify the quantity supplied of TVs when the price is €400.

(ii) By how much does the quantity supplied for TVs change if the price was to decrease from €500 to €300? Show your workings

(iii) On your graph, identify the price and quantity supplied for new TVs when the price is €300 by drawing a dotted line from the price to the supply curve, and then down to the quantity supplied.



**Factors that can increase or decrease supply**

**Q20** What impact would the following have on the supply of drinks at a coffee shop. Place a tick ✓ in the correct box

	Increased supply of drinks	Decreased supply of drinks
The price of takeaway coffee falls		
The cost of coffee beans increases		
VAT on hot drinks is reduced		
Staff shortages reduce opening hours		

**Q21** What impact would the following have on the supply of O’Neill’s GAA Jerseys. Place a tick ✓ in the correct box

	Increased supply O’Neill’s Jerseys	Decreased supply O’Neill’s Jerseys
The government reduces VAT on sports clothing		
O’Neill’s installs new automated printing machines		
The cost of fabric and printing ink increases		
The selling price of jerseys rises		

**Q22** Place a ✓ in the correct box (true or false) for each statements about the supply of Penneys (Primark) Hoodies.

Statement	TRUE	FALSE
If the cost of cotton used to make hoodies increases, the supply of hoodies is likely to decrease.		
If Penneys installs faster sewing machines, the supply of hoodies is likely to increase.		
If VAT on clothing is increased, the supply of hoodies is likely to increase.		
If factory workers go on strike, the supply of hoodies is likely to decrease.		



**Shifts in supply**

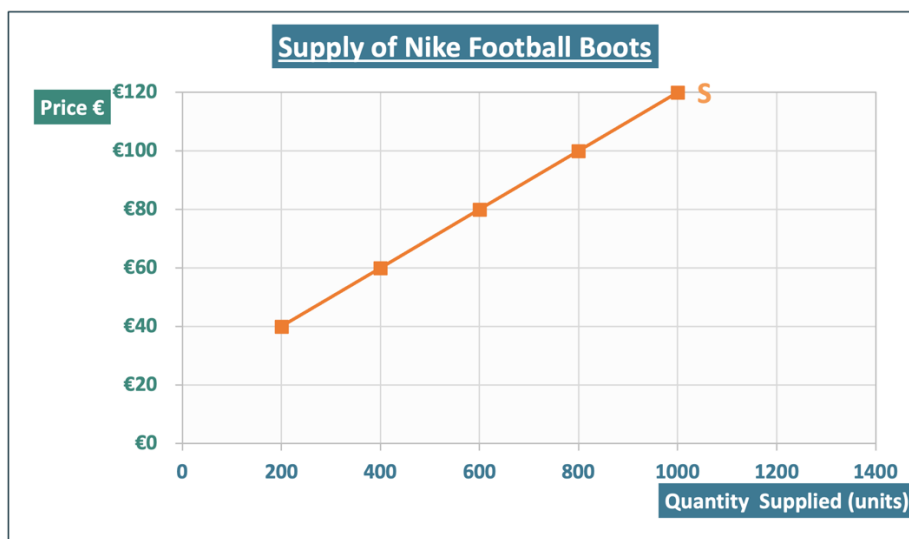
**Q23** What impact would the following have on the supply of **Nike Football Boots**. Place a tick ✓ in the correct box

Statement	Rightward shift (increased supply)	Leftward shift (decreased supply)
A reduction in the VAT rate (tax) charged on football boots		
A fall in the cost of leather and rubber used to manufacture Nike books		
The opening of a new factory to produce Nike football boots		
Delays caused by shipping problems		

**Q24** As part of a new government initiative, the VAT on football boots has been reduced to 0% to try to help more people take up sport and get active. This has increased the quantity supplied of boots by 200,000 units at each price level.

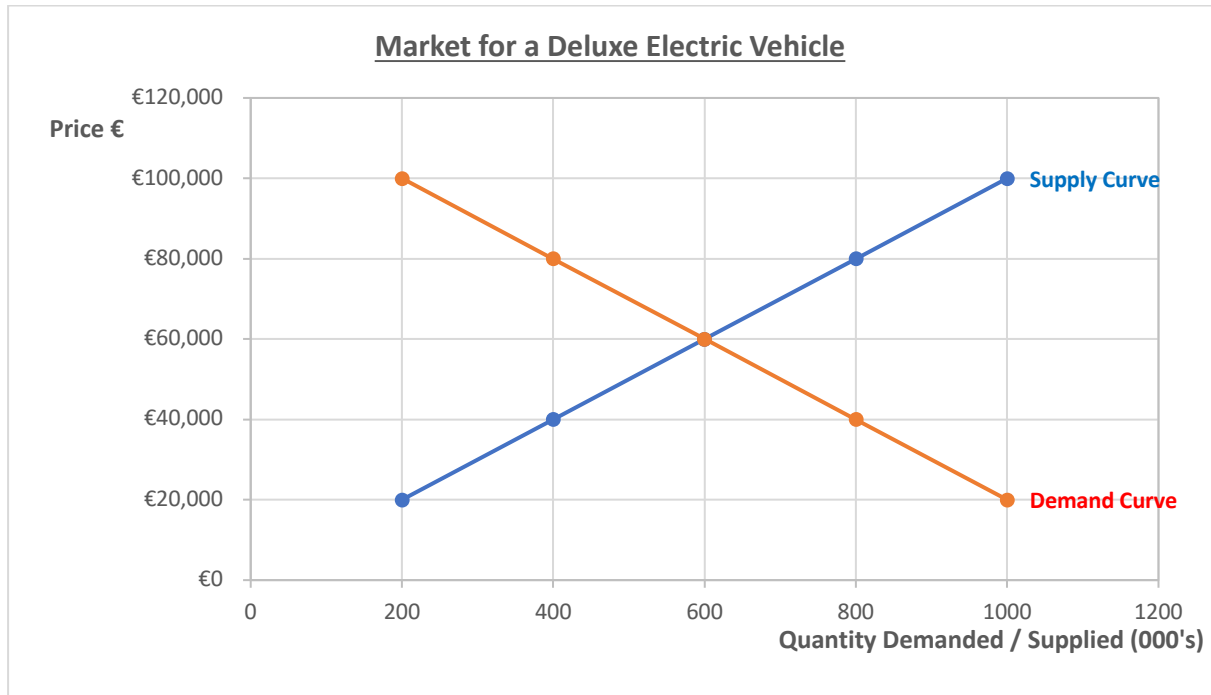
Supply of Nike Football Boots		
Price (€)	Quantity Supplied (units) 000s	NEW Quantity Supplied (units) 000s
€40	200	400
€60	400	600
€80	600	800
€100	800	1,000
€120	1,000	1,200

Use the data from the table above to draw the new supply curve for football boots.



**Identifying Market Equilibrium**

**Q25** A new deluxe electric vehicle is launching on to the Irish market. The demand and supply curves for it are shown in the diagram below.



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

Write your answers in the space provided

(i) Indicate the equilibrium quantity for Deluxe Electric Vehicles

(ii) Indicate the equilibrium price for Deluxe Electric Vehicles

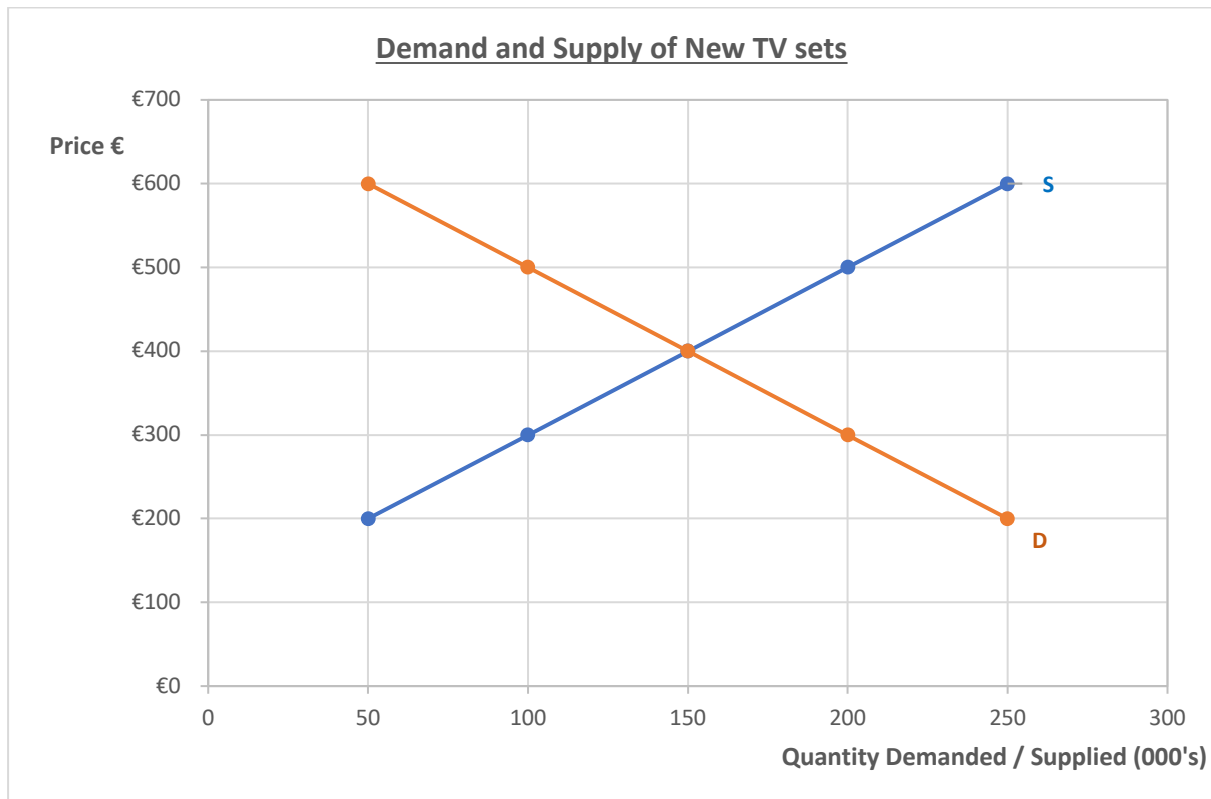
(iii) Indicate the quantity demanded when the price is €40,000

(iv) Indicate the price level when the quantity supplied for Deluxe Electrical Vehicles is 800,000 units

**Top Tip:** In an exam, make sure to always give the unit of measurement for any number you write – so for the price, make sure to give the '€' sign and for the quantity, you should write 'units'.



**Q26** The demand and supply curves for a new range of TV sets are shown in the diagram below. Answer the questions that follow.



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

Write your answers in the space provided

(i) Indicate the equilibrium quantity for New TV sets

(ii) Indicate the equilibrium price for New TV sets

(iii) Indicate the quantity demanded New TV sets when the price is €200

(iv) Indicate the quantity supplied for New TV sets when the price is €500

(v) Indicate the price level when the quantity supplied for New TV sets is 100,000 units



**Drawing Market Equilibrium**

**Student Task:** Use data from a table to plot a demand curve and supply curve

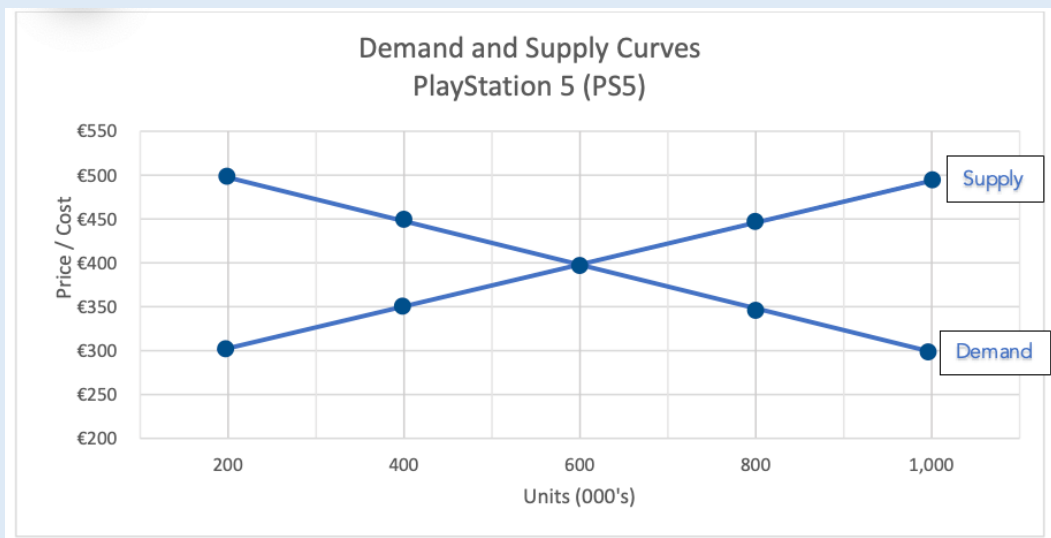
Students were given a table and had to answer the following questions:

(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

Demand and Supply Curves  
Playststion 5 (PS5)

**SOLUTION**



(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

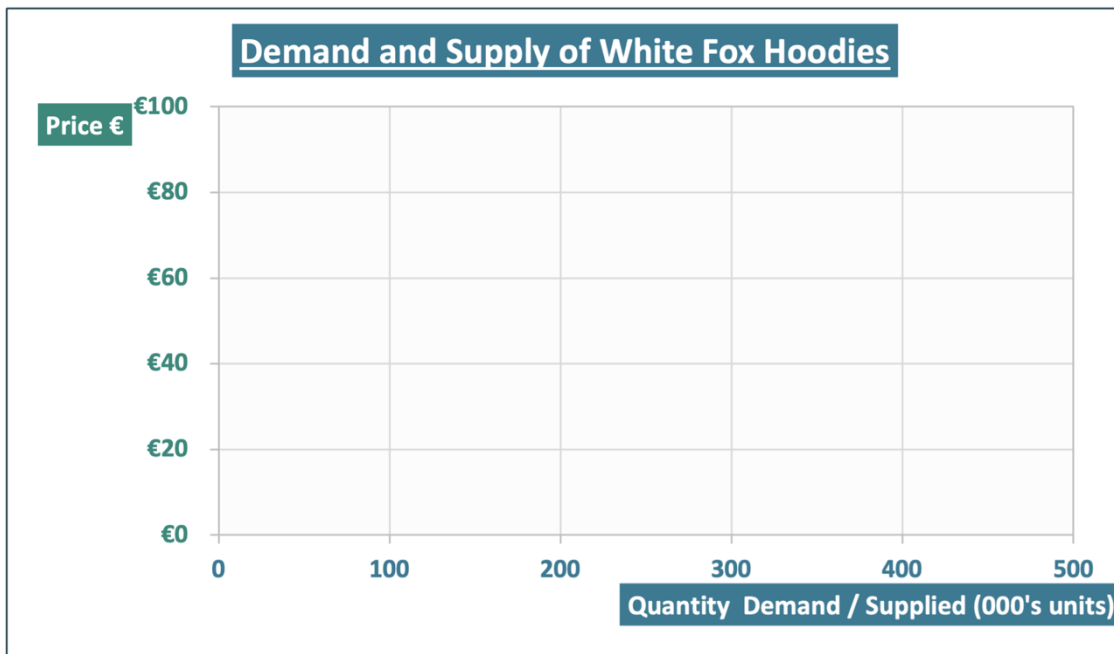
**Top Tip!** In an exam, make sure to always give the unit of measurement for any number you write – so for the price, make sure to give the '€' sign and for the quantity, you should write 'units', and pay extra attention to the units if they are displayed in thousands or millions (000's or "m") as you will need to write this for your answer.



**Q27 (i)** Ursula Quinn is in charge of ordering stock for a retail shop. As a buyer of stock, she needs to predict demand for different products in advance so that the shop has enough to satisfy the demand of their customers, and also not have too much that they will have lots of leftover stock unsold that they will have to put on sale to sell off.

Use the information in the table below to draw the demand and supply curves for White Fox hoodies for the retail shop.

Demand and Supply of White Fox Hoodies		
Price	Quantity Demanded (000's units)	Quantity Supplied (000's units)
€20	500	100
€40	400	200
€60	300	300
€80	200	400
€100	100	500



**Q27 (ii)** Use your diagram to identify the equilibrium price and equilibrium quantity. Write your answer in the boxes below:

Equilibrium price of the White Fox Hoodies	
Equilibrium quantity of the White Fox Hoodies	

**Q27 (iii)** Explain the term 'complementary good' and give an example of a complementary good for White Fox Hoodies

Explain:

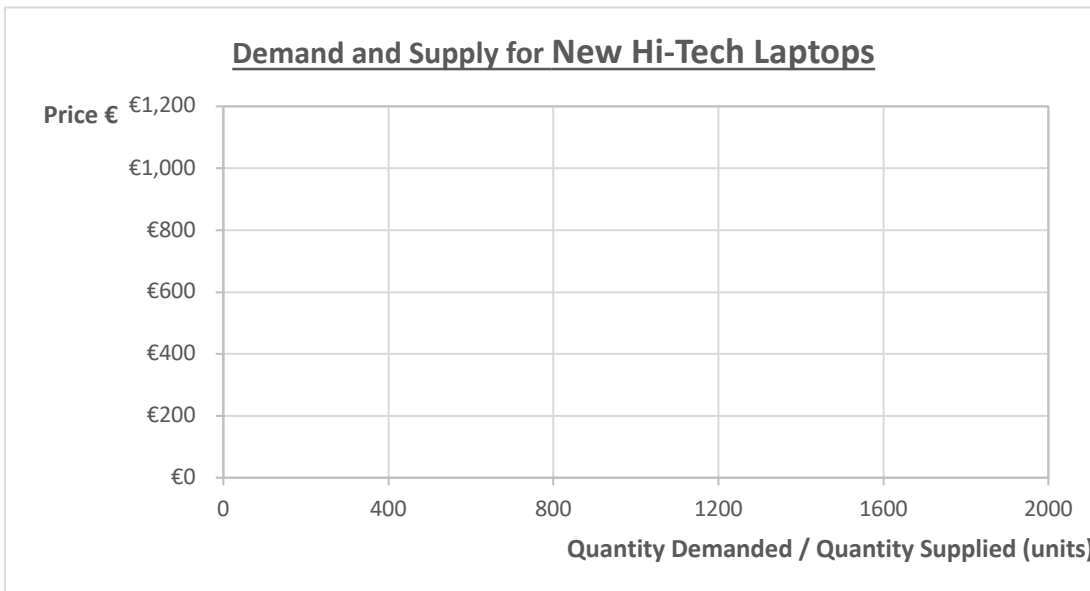
---



Example:

**Q28 (i)** Sophie Kelly manages stock for an electronics shop in a large shopping centre. One of the shop’s most popular products is **New Hi-Tech Laptop**. To make sure there is enough stock to meet customer demand, and to avoid having too many unsold laptops left at the end of the term, Sophie analyses demand and supply before placing new orders. Use the information below to draw the demand and supply curves for new laptops.

Market for a New Hi-Tech Laptop		
Price	Quantity Demanded (units)	Quantity Supplied (units)
€400	2,000	400
€600	1,600	800
€800	1,200	1,200
€1,000	800	1,600
€1,200	400	2,000



**Q28 (ii)** Use your diagram to identify the equilibrium price and equilibrium quantity. Write your answer in the boxes below:

Equilibrium price of the New Hi-Tech Laptop	€
Equilibrium quantity of the New Hi-Tech Laptop	units

**Q28 (iii)** Explain **two** factors that might **increase** the supply of the New Hi-Tech Laptop

Factor:
Explanation:
Factor:
Explanation:



**Changes in Market Prices**

**Top Tip:** The market price changes when demand or supply changes in a market, remember:

Prices will increase if supply falls or demand rises as the good becomes more **scarce**  
 Prices will decrease if supply rises or demand falls as the good is now more **plentiful**



**EXAM CORNER**

**(iii)** If there was a reduction in the 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 increased scarcity/rarity/less goods available/demand being greater than supply.

**Q29** Read the event/scenario below and then the statement that follows and state whether it is TRUE or FALSE. Explain your choice.

Event / Scenario	Statement
1. Russia and Ukraine account for close to 20% of the world's cereal grain production. A bread, flour and wheat shortage arose because of Russia's invasion of Ukraine.	1. This would cause the market price for bread, flour and wheat to increase.
TRUE / FALSE - Reason:	
2. The growth of AI (artificial intelligence) is allowing businesses to develop and supply software at a much greater speed and lower cost than ever before.	2. This would cause the market price for software to decrease.
TRUE / FALSE - Reason:	
3. When the COVID-19 pandemic first broke out, there was a rush on for people to buy facemasks and PPE (personal protective equipment) before it all sold out.	3. This would have caused the market price for facemasks and PPE to decrease.
TRUE / FALSE - Reason:	



Q30 Following a change in either demand or supply, the price of a good or service would be impacted.

Read the questions below and then state the impact it would have on prices, and then give a reason for your answer for each.

(i) If there was an **increase in demand** for All-Ireland Final tickets, what impact would this have on the price of tickets?

Impact:
Reason:

(ii) If there was a **decrease in demand** for second-hand cars, what impact would this have on the price of second-hand cars?

Impact:
Reason:

(iii) If there was an **increase in supply** of fresh milk from Irish farms, what impact would this have on the price of milk?

Impact:
Reason:

(iv) If there was a **reduction in supply** of new houses in Dublin, what impact would this have on house prices?

Impact:
Reason:



A market	A market is a place where <b>buyers</b> _____ <b>goods or services</b> and _____ <b>supply goods or services</b> .
Black Market	This is the market where _____ transactions take place that are not recorded by the government, so no _____ are paid on them. _____ consumer rights/protection; bad for legitimate businesses
Demand	This shows the quantity (units) of a good or service that consumers are willing and able to buy at different _____ levels.
Substitute Goods	Goods that are _____ / _____ for another good or service. E.g. _____ & Pepsi
Complementary Goods	Goods that _____ / _____. E.g. Phones and phone covers, Kindles and kindle books
Factors that increase demand	<ul style="list-style-type: none"> <li>• A _____ in the price of the good</li> <li>• An _____ in the price of a substitute good</li> <li>• A _____ in the price of a complementary good</li> <li>• _____ household / disposable income</li> <li>• A good comes _____ fashion / has _____ advertising or marketing</li> </ul>
Factors that reduce demand	<ul style="list-style-type: none"> <li>• An _____ in the price of the good</li> <li>• A _____ in the price of a substitute good</li> <li>• An _____ in the price of a complementary good</li> <li>• _____ household / disposable income</li> <li>• A good _____ fashion / gets _____ publicity / doesn't _____.</li> </ul>
Supply	This shows the quantity (units) of a good or service that sellers are willing and able to supply at different price levels.
Factors that increase supply	<ul style="list-style-type: none"> <li>• An _____ in the price of the good</li> <li>• An _____ in the technology used to make the good</li> <li>• A _____ government action e.g. reducing VAT on the good or service</li> <li>• An unplanned factor increasing supply e.g. a _____ harvest</li> <li>• A _____ in the cost of production e.g. cheaper raw materials to make it</li> </ul>
Factors that reduce supply	<ul style="list-style-type: none"> <li>• A _____ in the price of the good</li> <li>• A _____ in the technology used to make the good</li> <li>• A _____ government action e.g.</li> <li>• An unplanned factor decreasing supply e.g. a _____ harvest</li> <li>• An _____ in the cost of production e.g. more _____ raw materials</li> </ul>
Market Equilibrium	Market equilibrium is the _____ <b>and</b> _____ where the <b>level of demand is equal to the level of _____ in a market.</b>
What causes prices to increase	<b>Price changes when demand or supply changes</b> Prices will <u>increase</u> if _____ <u>falls</u> or _____ <u>rises</u> as the good is now _____.
What causes market prices to fall	<b>Price changes when demand or supply changes</b> Prices will <u>decrease</u> if _____ <u>rises</u> or _____ <u>falls</u> as the good is now _____.

