

Master sections

Comprehension passage

One of the most basic concepts of economics is **supply** and **demand**. These are really two separate things, but they are almost always talked about together. Supply is how much of something is available. For example, if you have 9 baseball cards, then your supply of baseball cards is 9. If you have 6 oranges, then your supply of oranges is 6.

Demand is how much of something people want. It sounds a little bit harder to measure, but it really isn't. To measure demand, we can use a very simple numbering system, just like the supply one. If 8 people want baseball cards, then we can say that the demand for baseball cards is 8. If 6 people want oranges, then we can say that the demand for oranges is 6. So we have supply which is how much of something you have, and demand which is how much of something people want. Put the two together, and you have supply and demand.

Now, how do you show the relationship between the two? One way is to use the price of something. Generally speaking, the price of something will go up if the demand goes up. Why? Because the seller thinks he can get more money for whatever he is selling. If more people want something, they will be willing to pay more for it. A good example is the newest basketball shoes. Everybody wants them, and they will be willing to pay more than they normally would to get them. The demand goes up. Why? Because more people want them.

The price also goes up. In the same way, the price will go down when the demand goes down. When the new style of basketball shoes comes out, everyone wants the new shoes. The old shoes don't seem so new anymore. The seller still wants to sell those older shoes, since he or she has a lot still in stock. So, the price goes down. The seller hopes that people will be willing to buy the older shoes at a lower price.

What does all this mean? It means that you can track supply and demand by also tracking price. If something has a high price, you can usually conclude that the demand for that item is low. In the same way, if something has a low price, you can usually conclude that the demand for that item is high. Supply and demand are two very strong market concepts. Studying the two of them can give you a good idea of what people like to buy and sell. And you can track both supply and demand by comparing the price of an item over time.

PART ONE :

Answer the following questions:

1. Provide a title for this passage (4pts)

Answer: Impacts of Supply and Demand in business cycles

2. Summarize : “ if you have 9 baseball cards Put the two together, and you have supply and demand.” (8pts)

Answer :

You have to present a correct grammatical understanding respecting good grammar and good vocabulary..../....

PART TWO :

Read this passage and answer the questions

Taxes and Public Services

The government collects taxes from the people. Some of the money raised from taxes goes to public services. One of these public services is public education.

The taxpayers pay the teachers' salaries and for the school itself. This makes education a public service.

Other public services include paying for police departments, fire departments, some hospitals, parks and playgrounds. Another service the government provides is called **Welfare**. This is a service that helps people of low income make it through hard times.

Questions:

1. What does this paragraph release ? (4 pts)

Answer : The paragraph releases the path and the functions of taxations through various recoveries

2. Describe the general role of taxations in any situations (4 pts)

**Answer: This part should respect the good and mastery of writing.
You had to describe a peculiar area in which you described various paths of specific recoveries of taxations**