

2.7	Name _____	Date _____	Period _____
Shortage and surplus	<p>How do _____ and _____ affect _____?</p> <p>_____ - a situation in which the _____ is greater than the _____ at the current price</p> <p>Price below _____ so suppliers raise _____</p> <p>_____ - a situation in which _____ is greater than _____ at the current _____</p> <p>Price above _____ so suppliers _____</p> <p>lower price</p> <p>One of the _____ of a free market _____ is that when it operates without _____ market forces can eliminate _____ and surpluses. That is a completely _____ market corrects itself.</p> <p>However, we operate in a _____ economy with government _____. The _____ attempts to protect _____ and _____.</p> <p>What happens when _____ becomes involved in setting _____ though price ceilings and price _____.</p> <p>A legal _____ price that may be _____ for a particular good or service.</p>		
Price Ceiling	<p>Price ceilings cause _____ because the QD goes up because of the _____ price but at the _____ time the QS goes down because of the _____ price</p>		
Price floor	<p>A legal _____ price below which a _____ or _____ may not be _____</p> <p>Tend to be more _____ than price _____ to prevent prices from _____ to low</p> <p>Price floors cause a _____.</p>		