

Question 2 (c)

The table below illustrates a demand and supply schedule of dairy meal.

| Demand (In 90kg bags) | Price per 90kg bag | Supply (In 90kg bags) |
|--------------------------|-----------------------|--------------------------|
| 85 | 1000 | 370 |
| 120 | 950 | 360 |
| 170 | 900 | 350 |
| 230 | 850 | 330 |
| 300 | 800 | 300 |
| 380 | 750 | 270 |
| 470 | 700 | 240 |
| 570 | 650 | 200 |
| 680 | 600 | 150 |
| 790 | 500 | 50 |

- (i) On the same X and Y axis, draw the demand and supply curves, using the information given above. (4 marks)
- (ii) Explain the demand and supply curves in relation to the price of dairy meal. (1 mark)
- (iii) Explain the point of intersection of the two curves in relation to the price of dairy meal. (1 mark)

Weakness

The question was very clear and falls within the syllabus, but it was poorly done by many candidates.

Expected Responses

- ii) When the price of dairy meal is high the amount supplied is high but the demand is low. When the price of dairy meal is low, the amount demanded increases but the supply is low.
- iii) At the price of Ksh 800/= per bag, the demand and supply for dairy meal are equal/in equilibrium.