



Worksheet 2.2

It's All About Demand

If it's ever unclear whether a change in demand for a good or a service can actually affect the price, the article '[Airfares of India show no signs of slowing](#)', makes it perfectly clear that demand is a powerful market force. In an industry where it has seemed recently that prices only rise, a recent fall in market demand has driven prices downward, as firms have responded to consumer demand in order to sell their product, which in this case are seats on short and long-haul flights within and from India. Read article and answer the questions below.

Discussion questions:

1. What factors are driving demand for air travel down within, to and from India?
2. Why are airfares 'up 3 percent in the second quarter of 2011'?
3. Create a diagram that illustrates the changes in demand for air travel within India.
4. Identify three factors that could slow the growth of demand for air travel within India.
5. Identify three factors that could slow the growth of demand for air travel between India and other nations.
6. (Bonus): Using a diagram, explain how 'the influence of fuel surcharge, high taxes and steady economic environment in the region are attributing to this overall rise in airfare in India.'

Worksheet adapted from: [Welker's Wikinomics](#)