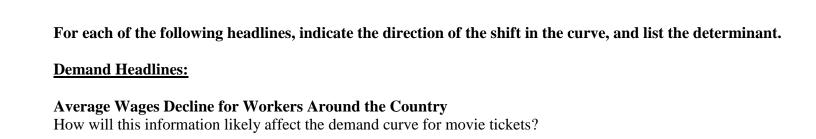
More Practice with Supply and Demand

1. What would happen to the market for jelly beans in the following situations?

Create and label a mini-graph that shows whether it would *first* cause a shift in supply or demand, label the new curve, and list the determinant.

a.	The price of sugar increases.
b.	The price of gummy bears, a close substitute for jelly beans, increases.
c.	A machine is invented that makes jelly beans at a lower cost.
d.	The government places a tax on jelly beans.
e.	The price of soda, a complementary good for jelly beans, increases.
f.	Widespread prosperity allows people to buy more jelly beans.
g.	Jelly Belly declares bankruptcy and all of its stores go out of business.
h.	The surgeon general announces that jelly beans actually help cure cavities!

What would happen to the market for coffee in the following situations? Create a mini-graph that shows whether it would *first* cause a shift in supply or demand, label the new curve, and list the determinant. a. An unusual winter freeze in Brazil kills a majority of the world's coffee crop. b. New machinery allows coffee beans to be roasted more efficiently. c. The price of tea, a substitute for coffee, decreases. d. Caribou Coffee wages an effective advertising campaign ("Life is short. Stay awake for it!") causing people to line up for cups of java. e. A panel of doctors announces that coffee may help cure migraine headaches. f. The price of cream, a complementary good for coffee, decreases. g. The economy takes a dive and incomes drop to record lows. h. Starbucks opens 50 additional stores nationwide.



1970s Styles Popular with High School and College Students

How will this information likely affect the demand curve for CDs of disco music?

Burger King Raises Prices on Burgers

How will this information likely affect the demand curve for Wendy's burgers?

Analysts Predict Video Game Prices to Increase Next Year

How will this information likely affect the current demand curve for video games?

Supply Headlines:

Record Peach Harvest Across The U.S.

How will this information likely affect the supply curve for frozen peach pies?

Housing Prices Expected To Soar in 2014

How will this information likely affect the supply curve for houses now?

Congress Passes New "Sugar Tax"

How will this information likely affect the supply curve for sugar?

President Approves Subsidy for Solar Energy Industry

How will this information likely affect the supply curve for solar energy panels?