# Analyzing Demand and Supply Headlines

For each demand headline you analyze, do the following: (1) Record the headline in the correct row. (2) Draw what will likely happen to the demand curve based on the headline. (3) Explain your graph. Cite and underline the demand shifter in your explanation. Or explain why the curve did not shift and whether the quantity demanded increased or decreased.

| Headline | Demand Curve for               | Explanation |
|----------|--------------------------------|-------------|
| Α        | Movie Tickets                  |             |
|          | Quantity                       |             |
| В        | Disco CDs  Disco CDs  Quantity |             |
| С        | Burgers  Duantity              |             |
| D        | Video Games                    |             |
|          | Se D <sub>1</sub> Quantity     |             |
| E        | Sport Utility Vehicles         |             |
|          | <u>D</u>                       |             |
| F        | Fresh Strawberries             |             |
|          | Quantity                       |             |
| G        | Strollers                      |             |
|          | Quantity                       |             |
| Н        | Laptops  Digital Cuantity      |             |

For each supply headline you analyze, do the following: (1) Record the headline in the correct row. (2) Draw what will likely happen to the supply curve based on the headline. (3) Explain your graph. Cite and underline the supply shifter in your explanation. Or explain why the curve did not shift and whether the quantity supplied increased or decreased.

| Headline | Supply Curve for        | Explanation |
|----------|-------------------------|-------------|
| I        | Frozen Peach Pies       |             |
|          | S <sub>1</sub> Quantity |             |
| J        | Minivans                |             |
|          | S <sub>1</sub> Quantity |             |
| К        | Sneakers                |             |
|          | S <sub>1</sub> Quantity |             |
| L        | Gasoline                |             |
|          | S <sub>1</sub> Quantity |             |
| М        | Cars                    |             |
|          | S <sub>1</sub> Quantity |             |
| N        | Sugar                   |             |
|          | S <sub>1</sub> Quantity |             |
| 0        | Oregon Lumber           |             |
|          | S <sub>1</sub> Quantity |             |
| P        | Solar Energy Panels     |             |
|          | Price S1                |             |
|          | Quantity                |             |

### **Demand Headlines**

A

#### **Average Wages Decline for Workers Around the Country**

How will this information likely affect the demand curve for movie tickets?

B

#### 1970s Styles Popular with High School and College Students

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

C

#### Fast Food Chain Raises Prices on All Menu Items

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

#### **Analysts Predict Video Game Prices to Increase Next Year**

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

Ε

#### **Gas Prices Increase 200% Since Last Year**

How will this information likely affect the demand curve for new sport utility vehicles?

F

#### Price for Fresh Blueberries Skyrockets—Cold Weather to Blame

How will this information likely affect the demand curve for fresh strawberries?

G

### **Hospitals Report Dramatic Decrease in Births**

How will this information likely affect the demand curve for baby strollers?

Н

#### **Computer Maker Announces 20% Price Cut**

How will this information likely affect the demand curve for the company's laptops?

## Supply Headlines

Record Peach Harvest—Price Lowest in a Decade

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

U.S. Car Company to Close Six Factories

How will this information likely affect the supply curve for the company's minivans?

**Shoe Manufacturer Increases Prices on All Styles** 

How will this information likely affect the supply curve for the company's sneakers?

Gas Prices to Stay Low This Year—Rise Dramatically Next Year

How will this information likely affect the current supply curve for gasoline?

Robots Make Automobile Assembly Faster, Cheaper

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

Congress Passes New "Sugar Tax"

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

Fire Destroys Thousands of Acres of Forest in Pacific Northwest

How will this information likely affect the supply curve for lumber from Oregon?

President Approves Subsidy for Solar Energy Industry

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

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