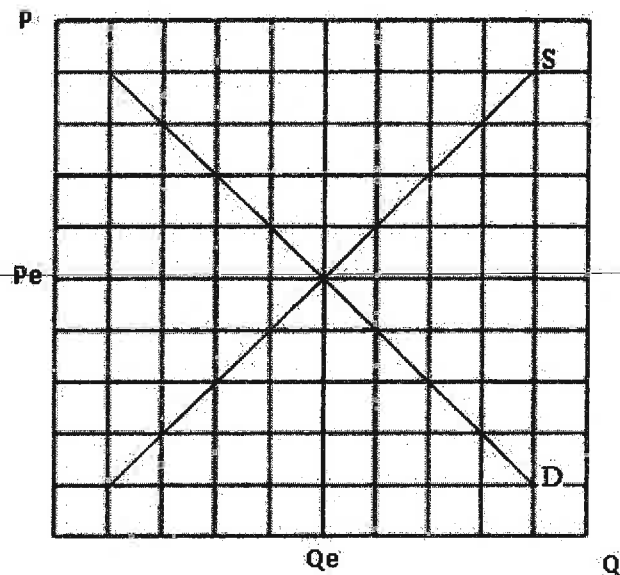
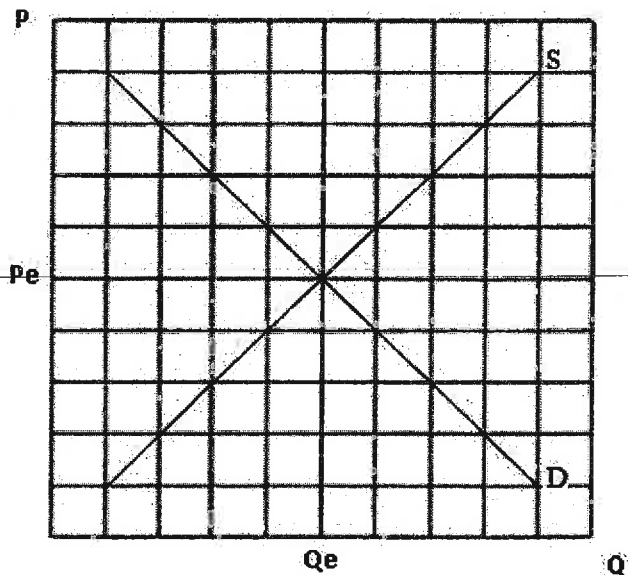


Name: _____ Class Period: _____ Date: _____

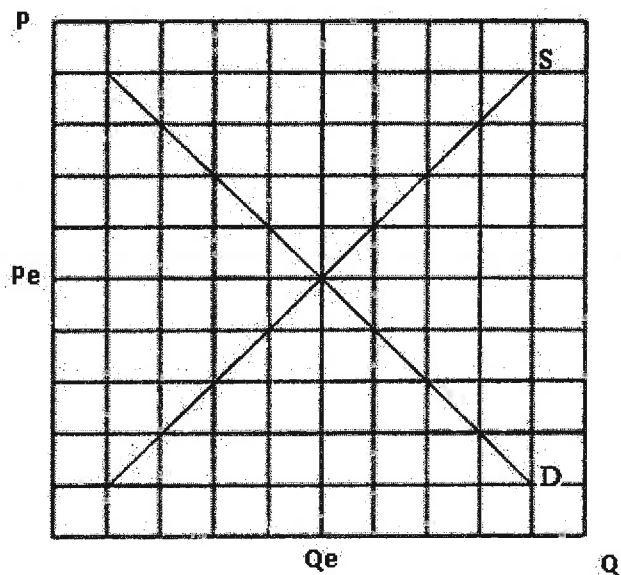
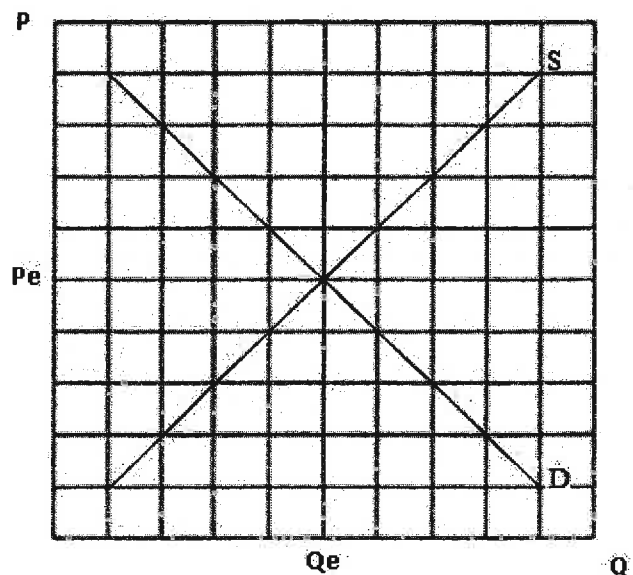
Supply and Demand Shift Worksheet 6.17.1

1. Identify the equilibrium price and quantity before any change.
2. Then, based on the given scenario, move the correct curve, supply or demand, to create the new equilibrium price and equilibrium quantity. Draw the new curve on the graph.
3. Identify the new equilibrium price and equilibrium quantity as P_{e1} and Q_{e1} .
4. Hint: each scenario moves only one of the curves.



1. The average income in the United States has declined by 3% over the past year. What effect will this have on the market for thingamajigs?

2. The local widget factory closed after being in business for 40 years. What effect will this have on the market for widgets?



3. A new fast food restaurant opens in your town. How will this effect the market for fast food?

4. A new video game system is released. How will this effect the market for video games?

Name: _____

Date: _____

Economics in the Headlines

Process:

Read the summary below of an article from MSNBC news, keeping in mind the factors that will change demand or supply for a product. Then answer the questions below.

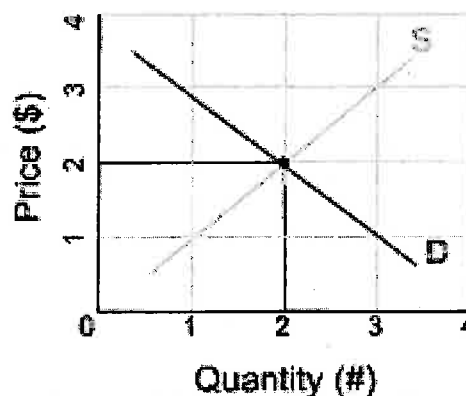
"McDonald's Uses Dolls to Woo Girls" (summary of MSNBC news online report)

For three weeks in April 2002, McDonald's Corporation incorporated miniature Madame Alexander dolls as toys in the Happy Meals sold to girls. Madame Alexander dolls are collected internationally and are known for their high quality.

The Director of Marketing for McDonald's explained that while young boys and girls eat at McDonald's in comparable numbers, by the ages of 11-12, girls become more weight-conscious and make different food choices, which tend to continue into adulthood. McDonald's hoped that by introducing the dolls, more girls would be enticed to eat at McDonald's, increasing the company's customer base long into the future.

1. Is McDonald's attempting to change the demand for or the supply of Happy Meals? Is McDonald's trying to increase it or decrease it?

2. Use the supply and demand curves provided to illustrate the change McDonald's is trying to make.



3. If McDonald's is successful in making this change to attract and keep female customers in the long run, what do you expect to happen to the quantity of Happy Meals produced? What do you think will eventually happen to the price?

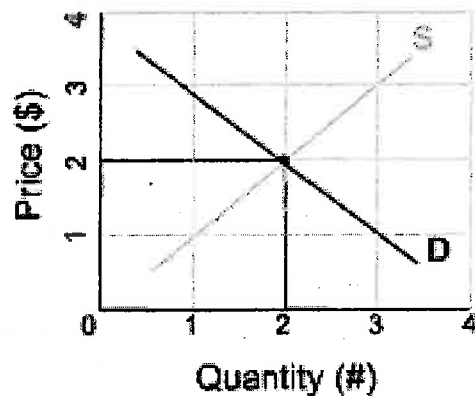
Again, read the summary below of an article from MSNBC news, keeping in mind the factors that will change demand or supply for a product. Then answer the questions below.

"Iran Urges Oil Embargo" (summary of CNN news online report)

In early April 2002, Iranian leader Ayatolla Ali Khamenei called on leaders of OPEC nations to place a one-month embargo on oil sold to Western nations. Khamenei said that by cutting off oil, the US and other Western nations would be punished for their support of Israel in the Israeli-Palestinian conflict. Iran is the second-largest producer of oil in the Middle East, and an oil embargo similar to the one OPEC carried out in 1973 could have serious ramifications for economies around the globe.

1. Is Iran attempting to change the demand for or the supply of oil in Western nations? Is Iran trying to increase it or decrease it?

2. Use the supply and demand curves provided to illustrate the change Iran is trying to make.



3. If Iran is successful in convincing oil-producing nations to cut off the supply of oil to Western nations, what do you expect to happen to the quantity of oil available in those nations? What do you think will happen to the price?

Title of Article: _____

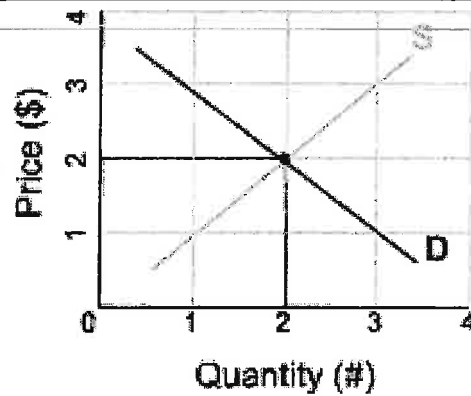
Date of Article: _____

Author of Article: _____

URL of Article: _____

1. Does the article discuss a change in the demand for or the supply of the product? Will demand or supply increase or decrease?

2. Use the supply and demand curves provided to illustrate the change.



3. When this change occurs, what do you expect to happen to the quantity produced? What do you think will happen to the price?

Evaluation Activity:

Title of Article: _____

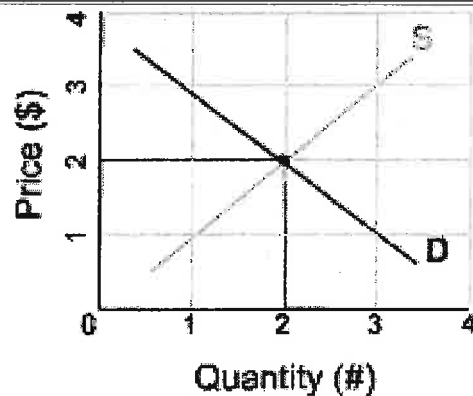
Date of Article: _____

Author of Article: _____

URL of Article: _____

1. Does the article discuss a change in the demand for or the supply of the product? Will demand or supply increase or decrease?

2. Use the supply and demand curves provided to illustrate the change.



3. When this change occurs, what do you expect to happen to the quantity produced? What do you think will happen to the price?
