

6. What is the effect of the equilibrium price and quantity of orange juice of the following events if they occur one at a time?
- The price of apple juice decreases:  
equilibrium price \_\_\_\_\_ equilibrium quantity \_\_\_\_\_
  - The price of apple juice decreases, and the wage rate paid to orange grove workers increases  
equilibrium price \_\_\_\_\_ equilibrium quantity \_\_\_\_\_
  - Orange juice becomes more popular, and a cheaper machine for picking oranges is used  
equilibrium price \_\_\_\_\_ equilibrium quantity \_\_\_\_\_
  - Joggers switch from bottle water to orange juice  
equilibrium price \_\_\_\_\_ equilibrium quantity \_\_\_\_\_
7. The table below shows the demand and supply schedules for mouse pads

| Price<br>(dollars per pad) | Quantity Demanded<br>(mouse pads per week) | Quantity Supplied<br>(mouse pads per week) |
|----------------------------|--------------------------------------------|--------------------------------------------|
| 3.00                       | 160                                        | 120                                        |
| 4.00                       | 150                                        | 130                                        |
| 5.00                       | 140                                        | 140                                        |
| 6.00                       | 130                                        | 150                                        |
| 7.00                       | 120                                        | 160                                        |
| 8.00                       | 110                                        | 170                                        |

- What is the market equilibrium? \_\_\_\_\_
  - If the price of a mouse pad is \$7.00, describe the situation in the market. Explain how market equilibrium is restored.
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- What is the market equilibrium if a fall in the price of a computer changes the quantity demanded of mouse pads by 20 a week at each price. \_\_\_\_\_
  - Explain what happens to the market equilibrium in part a and how the market adjusts if new voice-recognition software changes the quantity demanded by 10 mouse pads a week at each price and at the same time the cost of producing a mouse pad falls and changes the quantity supplied by 30 a week at each price.